

New Enterprise Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

NEW ENTERPRISE RURAL ELECTRIC COOPERATIVE, INC.

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BOARD OF DIRECTORS

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OFFICE HOURS

Monday through Friday
7 a.m. - 3:30 p.m.

EMERGENCY OUTAGE NUMBERS

814-766-3221
1-800-270-3177

Cooperative Year in Review




I HAVE WRITTEN MANY TIMES about the creation of the electric cooperative program, its 80-plus-year history, and its continuing mission to provide safe, reliable, and affordable electricity and improve the quality of life for our members and communities. We have a unique way of doing business — excess margins are returned to the members in the form of capital credits. New Enterprise Rural Electric Cooperative (REC) typically completes this process in December. While other electric companies pass profits onto shareholders, New Enterprise REC demonstrates the cooperative difference by sharing realized margins with you, the consumer-member.

Financially, your cooperative remains on solid footing. Operating revenues for 2022 were 4% higher than 2021. Operating expenses for 2022 were 2% under budget. Cooperative assets increased to \$8.7 million due to the completion of work to rebuild our Waterfall substation. This is the first step in a series of long-term plans to rebuild existing cooperative substations and add alternate sources to better serve the membership in extended outage events.

It was a challenging year for the cooperative managing inflationary pressures and industry market conditions. Wholesale electricity accounted for more than 60% of the cooperative's 2022 budget. Typically, most budget items fall in line with only minimal increases from year to year. Last year was not typical by any stretch. Throughout 2022, the word on the street was domestic energy policy was going to change the wholesale power market. The cooperative hired a consultant to evaluate our electric distribution rates and cost of service. Cooperative electric capacity, demand and load history were examined to create an accurate look at how rates would have to change to continue to operate.

In the fall of 2022, everyone in the electricity world knew the predictions from the street were right. Wholesale power costs escalated wildly, affecting every electricity producer, transmitter, distribution system operator and consumer throughout America. The current administration's campaign promises kept onerous regulation on domestic energy production and exploration — a full assault on all traditional energy sources. This, coupled with events across other parts of the world, caused electricity costs to rise by more than 11% in late 2022 and into 2023.

Turning to reliability, the cooperative is continuing its systematic vegetation management program. There have been several significant high-wind events over the past few months, and the cooperative system has fared well with few member power outages during these storms. I would like to thank our members for their involvement in this program as well. Without your help, our exposure to tree-related outages would be much higher. Thank you for working with cooperative staff to keep our system resilient and protected by helping us continue to maintain a strong right-of-way management program.

New Enterprise REC is dedicated to providing safe, reliable and affordable electric service to its consumer-members. Without you, we would not be able to serve our local communities. If you have any questions, comments or concerns, please call or drop by the office and let us know how we are doing. 

MARK MORRISON
GENERAL MANAGER/CEO

New Enterprise Rural Electric Cooperative, Inc.
Income Statement ending December 31, 2022

	2022	2021
Operating Revenue and Patronage Capital	8,327,201	7,959,115
Cost of Purchased Power	4,565,078	4,085,991
Gross Margin	3,762,123	3,873,124
Distribution Expense - Operation	2,332,038	2,090,124
Distribution Expense - Maintenance	406,442	448,406
Consumer Accounts Expense	4,298	2,841
Customer Service and Informational Expense	20,894	19,144
Sales Expense	16,679	15,441
Administrative and General Expense	328,572	291,639
Total Operation & Maintenance Expense	7,674,001	6,953,586
Depreciation & Amortization Expense	251,012	183,294
Tax Expense Property and Gross Receipts	9,755	9,004
Interest on Long Term-Debt	3,044	4,528
Other Deductions	66,357	62,508
Total Cost of Electric Service	8,004,169	7,212,920
Patronage Capital & Operating Margins	323,032	746,195
Non-Operating Margins - Interest	8,731	7,770
Allowance for Funds Used During Construction		
Non-Operating Margins - Other	153,512	446,095
Generation & Transmission Capital Credits	69,920	55,755
Other Capital Credits & Patronage Dividends	8,288	7,647
Patronage Capital or Margins	563,483	1,263,462

New Enterprise Rural Electric Cooperative, Inc.
Balance Sheet ending December 31, 2022

	2022	2021
Total Utility Plant in Service	9,742,061	7,431,798
Construction Work in Progress	-	1,612,315
	<u>9,742,061</u>	<u>9,044,113</u>
Accumulated Depreciation	5,765,412	5,514,400
Net Utility Plant	3,976,649	3,529,713
Cash - General Funds	363,790	118,485
Temporary Investments	3,069,694	2,837,903
Accounts Receivable - Energy Sales	855,830	855,407
Accounts Receivable - Other	-	-
Material and Supplies - Electric & Other	396,215	400,716
Other Current and Accrued Assets	39,048	35,087
	<u>4,724,577</u>	<u>4,247,598</u>
Total Current and Accrued Assets	4,724,577	4,247,598
Other Deferred Debits	-	-
	<u>-</u>	<u>-</u>
Total Assets and Other Debits	8,701,226	7,777,311
	-	-
Liabilities and Other Credits		
Memberships	14,810	14,745
Patronage Capital	3,764,115	4,638,659
Assigned Capital Credits	4,316,549	2,451,222
Total Margins and Equities	8,095,474	7,104,626
Other liabilities	605,752	672,685
Total Liabilities & Other Credits	8,701,226	7,777,311

Different Ways to Pay

DID YOU KNOW WE OFFER several different ways to pay your bill besides mailing it? We want bill paying to be painless and easy for you. You receive your bill usually the first week of the month, and it is due on the 23rd (always look at your bill to confirm). Let's go over the list, and you may find one payment method that might work for you!

- ▶ **Mail payments:** This option requires you to write your check out and pay postage to mail your payment to us monthly. A lot of members use this option. Please allow five to seven business days for mail delivery. We are not responsible for postage delays. Payments are posted the day they are received, not by the postmark date.
- ▶ **Paying at the office:** You can come into the office and pay by cash, check or credit/debit card. The office is open Monday through Friday, 7 a.m. to 3:30 p.m.
- ▶ **Drop box at the office:** We offer a secured box located in the driveway or a secured box located beside the front doors of the office. These are available to you 24/7.
- ▶ **The drive-up box:** No need to get out of your car during ugly weather or maybe you have children in the car with you. We retrieve payments from both boxes once a day during business hours.
- ▶ **Auto payment:** Let us do the work for you. You can have your payments automatically paid with a checking/savings account or debit/card card on the 20th of each month (regular due date is the 23rd, so it is just a few days earlier). We do not charge a fee for this service. You also still get a bill by mail or email.
- ▶ **On our website:** Pay conveniently anytime 24/7 using a checking/savings account or debit/credit card at newenterpriserec.com. We do not charge a fee to use this service.
- ▶ **Smartphone or tablet:** This service is also available 24/7 at your convenience. Download the SmartHub app from the Apple Store or Google Play and have all the services at your fingertips. This method is similar to paying through our website. We do not charge a fee to use this service.

With the website and smartphone options, you can schedule your payments and store your payment method, so with just a few taps or clicks, you will have your payment made or scheduled.

As you can see, we do offer many different options to pay your bill. If you wish to sign up for auto pay, please call the office to receive a form to complete or you can also sign up through the website or SmartHub. 📄



Energy Efficiency Tip of the Month

Looking for additional ways to save energy this summer? Your laundry room is a great place to start. Wash clothes with cold water, which can cut one load's energy use by more than half. Your washing machine will use the same amount of energy no matter the size of the clothes load, so fill it up when you can. When drying clothes, separate the heavier cottons. Loads will dry faster and more evenly if you separate heavier cottons like linens and towels from your lightweight clothing.

Source: Dept. of Energy

