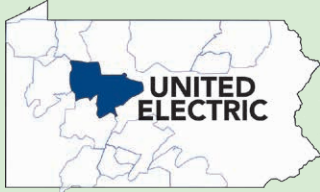




United Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

UNITED ELECTRIC COOPERATIVE, INC.

P.O. Box 688
DuBois, PA 15801-0688
Customer Service: 888-581-8969
www.unitedpa.com
Outage: 800-262-8959
Office Hours: M - F 8 a.m. - 4:30 p.m.

BOARD OF DIRECTORS

Chairman

Stephen A. Marshall, District 5
1030 Donahue Rd.
Luthersburg, PA 15848
814-583-7320

Vice Chairman

Timothy D. Burkett, District 6
5059 Hamilton Markton Rd.
Punxsutawney, PA 15767
814-938-7991

Secretary/Treasurer

Eileen Pisaneschi, District 2
1964 River Hill Rd.
Frenchville, PA 16836
814-263-4491

DIRECTORS

Shanelle Hawk, District 1
502 Pine Run Rd.
Mayport, PA 16240
814-365-5646

Arden E. Owens, District 7
505 Trout Run Rd.
Shawville, PA 16873
814-765-6458

Richard Petrosky, District 3
P.O. Box 612
DuBois, PA 15801
814-371-8672

David W. Walker, District 4
631 Olanta Rd.
Olanta, PA 16863
814-236-3321

President & CEO
Brenda Swartzlander

Consumer Advocate
Lauren Gustafson, ext. 8501

Manager of Marketing & Member Services
Kristy Smith

2023 United Electric Cooperative Annual Report Chairman's Report

ON BEHALF OF THE BOARD of directors and management of United Electric Cooperative, I am pleased to present you with the 2023 Annual Report. My fellow board members and I would like to take this opportunity to thank you, our members, for the trust you have placed in each of us to represent you. It is a pleasure to work with such focused, dedicated directors and management of this cooperative.

2023 was a great year, productively and financially, for your cooperative. You will see United Electric has invested in numerous improvement projects to ensure a reliable electric system. United invested more than \$3 million in these projects in 2023, while at the same time continuing to maintain our sound financial position. This has enabled your board to approve the retirement of capital credits for the 15th consecutive year. Capital credits returned to our members in 2023 were \$1,166,770, bringing the total returned to more than \$15.5 million.

The board of directors continually evaluates the recommendations of the line crews and engineering staff during the rebuilding and upgrading processes to meet your expectations. While continuing our commitment to improved reliability, your cooperative board and management remain mindful of the need to maintain reasonable rates. We scrutinize the internal operations of the cooperative to hold the line on costs, while monitoring issues and legislation at both the state and federal levels that can adversely affect our ability to keep costs low for our members.

Our members have always been the strength behind United Electric, and your unwavering support and cooperation through the years has been one of our key assets. We are thankful our members recognize the importance of improving and maintaining our system by working together with us during line relocations, as well as providing necessary rights of way when called to do so. Together, we have made great strides that enable us to continue to provide safe and reliable electric service both now and in the future.

I look forward to seeing all of you at your annual meeting at 7 p.m. Wednesday, May 15, at the Brady Township Community Center in Luthersburg. There will be refreshments, a free registration gift for each member and a number of door prizes, including the grand prize: a Whirlpool dishwasher with multiple energy-efficient cycle options. 🍷

STEPHEN A. MARSHALL
CHAIRMAN OF THE BOARD



STEPHEN A. MARSHALL,
CHAIRMAN OF
THE BOARD



BRENDA L. SWARTZLANDER,
PRESIDENT & CEO

Engineering & Operations Report 2023

GROWTH IN OUR SERVICE TERRITORY

continued in 2023. Our engineering and operations departments engineered and constructed more than 175 new services. This was the second year in a row with higher-than-normal growth in our service territory. We are happy to welcome some new large power members to our lines. Over the last 12 months, we connected a liquids treatment injection well, a new Area Transportation Authority facility, a senior living and care facility, an industrial original equipment manufacturer facility, and multiple other smaller commercial/industrial customers. Other new services included new home connections and seasonal property developments, which make up the bulk of our members. Including new services, our engineers drew up and staked more than 510 work orders, which our operations department completed.

2023 proved to be productive in relation to our System Improvement Construction Work Plan. Five system improvement projects were completed, totaling more than 23 miles of line upgrades. Crews rebuilt and upgraded the conductor on a 7-mile stretch of line on our Grange substation near the village of Porter. This project was necessary due to the poor condition of the poles and conductor. A short, but no less important, half-mile section of line was relocated from an inaccessible area out to Walker Road near our Pike substation. The pole line is now completely bucket accessible, which creates a safer work environment for our lineworkers.

Our crews completed two underground replacement projects in 2023. An aging, 2-mile section of underground cable along Olean Road near Clear Creek State Park was replaced with new underground cable. Due to the amount of tree trimming that would need to take place, rebuilding this line underground was more economical than replacement with a new overhead conductor. The second underground project was along Galusha Road near Brockway. United line crews replaced a 2.5-mile section of aging underground cable with a combination of over-

head and underground cable to best meet the needs of the members in the area. The last project completed is part two of a multi-year, multi-project plan of increasing reliability in our McGees Mills area. We rebuilt a 12.5-mile section of line that ran from our McGees Mills substation south to Route 219. Over the next two years, we will also be replacing most of our old copper lines fed from this substation to continually improve reliability.

All system improvement projects aim to improve reliability for our members. The Engineering Department has several projects in the planning and design stage. Two of these projects on McGees Mills circuits are nearing completion. Once construction is completed on the remaining 24 miles, we will have rebuilt all major lines in the McGees Mills area. We have also started engineering to replace 12.5 miles of lines on three circuits in the Portland Mills area of our system, which is fed from our Warsaw substation. We are working with the PA Game Commission to move lines from heavily forested areas to along the roads where possible. This should reduce the number and duration of power outages in the area. In total, we will be replacing more than 30 miles of line to increase reliability for our members in 2024.

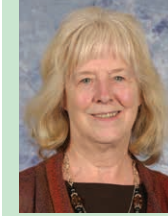
Vegetation management

United Electric employs integrated vegetation management (IVM), which blends directional clearance pruning, hazard tree removal, mowing and selective herbicide application into a systematic, cyclical approach to right-of-way management. Maximizing tree-to-line clearances, as well as mitigating hazard trees, IVM lessens tree-related outages over the duration of a circuit's maintenance cycle. A solid IVM program delivers financial, environmental, ecological, and operational results that are cost-effective to the cooperative and its membership. Ignoring vegetation management concerns is not an option.

The success of any program is related to the cooperation between our members and United Electric. With your cooperation, we

Continued on page 16D

Treasurer's Report



EILEEN PISANESCHI
SECRETARY/
TREASURER

AS TREASURER OF UNITED ELECTRIC COOPERATIVE, it is my privilege to present the 2023 audited financial statements for the cooperative. The year saw continued stability in the financial condition of the cooperative. The 2023 margins ended the year at \$3,747,186, as compared with \$4,380,785 for 2022. The margin of \$3,747,186 is 11.3% of the year's revenue and will be allocated to each member's capital credits account.

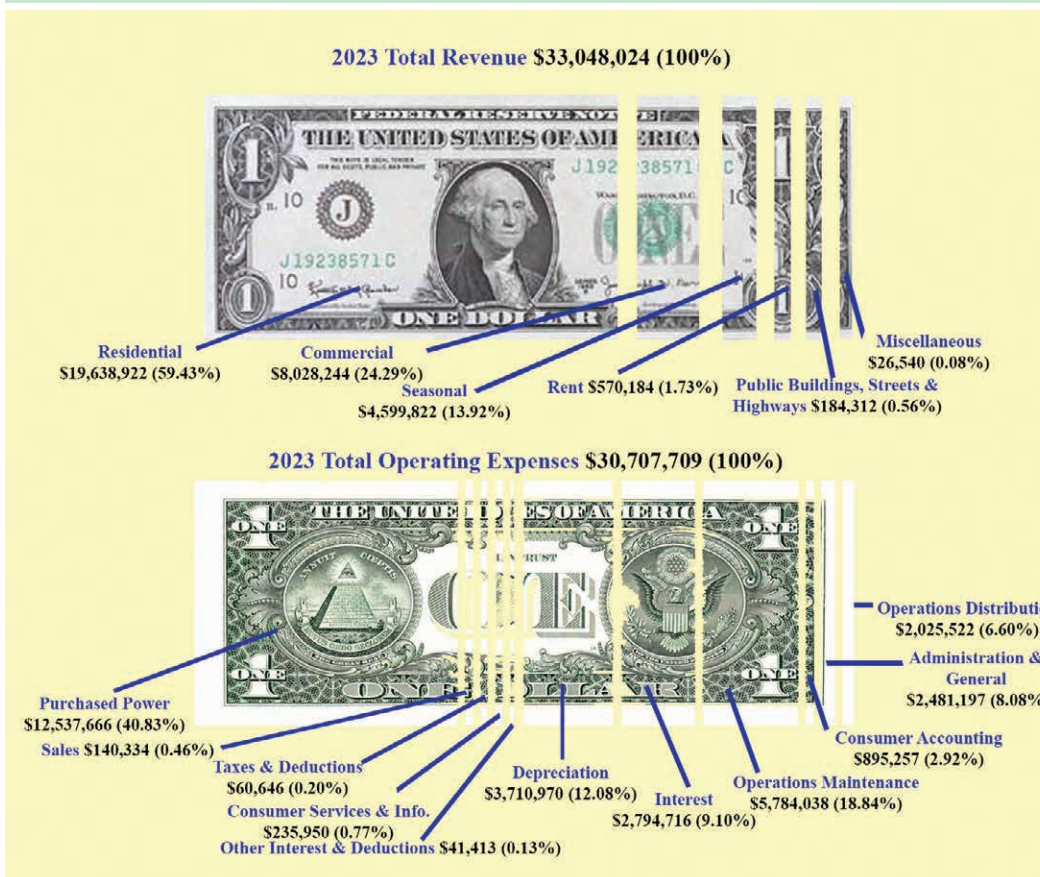
Operating revenues increased to \$33,048,024 in 2023, compared to \$30,327,901 in 2022. Maintenance expenses increased from \$5,706,771 in 2022 to \$5,784,038 in 2023. Interest expense for the year was 9.1% of our operating expenses; during 2022, this amounted to 9.8%. Interest expense on long-term debt in 2023 was \$83,534 more than it was in 2022.

After allocation of this year's margins and estate retirements, the total equity of the members will increase from \$44,781,460 to \$47,561,464. The members' equity ratio for the end of 2023 is 38.62%.

During 2023, the cooperative began its construction work plan for system improvements. The cost of construction work completed during 2023 was \$5,991,174 in additions and \$1,654,048 in retirements.

The net increase in plant for 2023 was \$4,337,126. Improvements included sectionalizing lines to decrease outages, upgrading substations, adding and replacing reclosers, replacing old wire and poles, installing meters, and adding new services. This work plan was established to improve the reliability of electric service.

During 2023, a general capital credits retirement to members was accomplished using the FIFO (first-in, first-out) method. The 2023 general retirement marks the 15th year in a row United has returned capital credits to the membership. The general capital credits retirement was completed in October in the amount of \$750,000. United continues to settle estate capital credits retirements, which totaled \$416,770 for the year. The total amount of capital credits distributions made for 2023 amounted to \$1,166,770.



FINANCIAL HIGHLIGHTS

CONDENSED STATEMENT OF OPERATIONS For the year ending December 31, 2023

	2023	2022
OPERATING REVENUES	\$ 33,048,024	\$ 30,327,901
OPERATING EXPENSES		
Purchased Power	12,537,666	9,872,454
Other Operations	5,778,260	5,548,947
Maintenance	5,784,038	5,706,771
Depreciation	3,710,970	3,662,378
Taxes	60,646	60,495
Interest on Long-term Debt	2,794,716	2,711,182
Other Interest and Deductions	41,413	21,954
Total Operating Expense	30,707,709	27,584,181
OPERATING MARGINS	2,340,315	2,743,720
NON-OPERATING MARGINS		
Total Non-Operating Margins	1,406,871	1,637,065
NET MARGINS	\$ 3,747,186	\$ 4,380,785

CONDENSED BALANCE SHEET December 31, 2023

	2023	2022
ASSETS		
Electric Plant (at cost)	\$ 136,957,567	\$ 132,620,441
Construction Work in Progress	3,001,345	2,320,999
Less Accumulated Depreciation	(41,173,944)	(39,698,869)
Net Plant	98,784,968	95,242,571
Other Assets and Investments	11,253,852	10,552,482
Current Assets	12,990,802	12,596,050
Deferred Charges	114,033	135,339
Total Assets	123,143,655	118,526,442
EQUITIES AND LIABILITIES		
Memberships	\$ 44,490	\$ 46,850
Patronage Capital	43,979,427	41,095,967
Other Equities	3,537,547	3,638,643
Total Equities	47,561,464	44,781,460
Long-Term Debt	64,416,508	64,165,934
Current Liabilities	7,151,780	5,843,346
Deferred Credits / Regulatory Liabilities	4,013,903	3,735,702
Total Equities and Liabilities	123,143,655	118,526,442

2023 Audit of United Electric Cooperative conducted by
Fiore, Fedeli, Snyder, Carothers LLP Certified Public Accountants

PLAN TO ATTEND: ANNUAL MEETING 2024

OFFICIAL NOTICE of ANNUAL MEETING

Wednesday, May 15, at 7 p.m.
at the Brady Township Community Center, Luthersburg, Pa.

Notice is hereby given of the annual meeting of members of United Electric Cooperative, Inc. The meeting will be held at the Brady Township Community Center, Luthersburg, Pa., at 7 p.m. Wednesday, May 15, 2024. The following matters will be acted upon: reports of the directors and officers; declaration of the board director elections in District 2; any and all other business, which may come before the meeting

or any adjournment or adjournments thereof.

An admission card will not be mailed to you. Admission cards will be provided and valid membership status determined at the annual meeting registration on Wednesday, May 15, 2024.

United Electric Cooperative, Inc.
Eileen Pisaneschi, Secretary/Treasurer

Continued from page 16B

will continue to maintain safer rights of way and improve reliability throughout our system. In terms of system reliability, maintaining the rights of way is key to keeping them clear for maintenance and repair crew access. Increased safety for our members, their families and United personnel is achieved by preventing trees from coming into contact with energized lines.

In 2023, United Electric's Forestry Department maintained approximately 650 miles of line. The main focus of 2023's vegetation management program was proactive full- and mid-cycle maintenance. A large number of trees growing under and overhanging the line were removed. Greater vegetation-to-line clearances were achieved overall, making the system safer and more reliable. Through the use of qualified contractors, United Electric will continue to correct inadequate vegetation clearances and accessibility issues and conduct danger-tree mitigation to lessen the frequency of outages.

Aerial patrol

In 2023, United Electric continued to use aerial patrolling to proactively mitigate potential outage-causing hazards. The forestry and line departments jointly conducted a helicopter patrol of approximately 412 miles of line. United personnel were able to identify and correct potential problems at locations between scheduled maintenance operations. Patrol sites targeted trees that had broken or been

uprooted but not caused immediate problems from prior storms, as well as others that had fallen victim to insects or disease. United plans to continue the aerial patrol program in 2024.

Wood pole inspection and treatment

The wood pole inspection/treatment process increases serviceability of poles indefinitely. This process also pinpoints locations of non-serviceable and "danger" poles.

This procedure begins with a visual inspection of the pole from the ground to the top. If warranted, a sonic test is performed to determine decay and voids. Defective poles are bored and probed for a more accurate determination of the extent of the damage. If serviceable, the inspector will inject an internal treatment to stabilize the deterioration of the wood. The inspector looks for signs of decay, voids, green mold, etc. If any of the aforementioned is present, a full excavation to a depth of approximately 18 inches is performed. Decay is scraped away; a preservative and moisture barrier is then applied.

United Electric maintains a systematic Wood Pole Inspection Program, thereby allowing us to determine the serviceable life and safety of our poles. In 2023, 5,000 poles were inspected and treated at an average cost of \$40.79/pole. Sixty-four poles (1.3%) were determined to be unserviceable. From inspection reports, our engineering technicians are able to plot and create the work orders for line crews to replace the defective poles. Service orders are also issued to the line department for repair of damaged hardware, if applicable.

The engineering and operations departments extend a sincere "thank you" to all our members who were instrumental in aiding in the successful completion of these system improvement projects. Your cooperation is essential in making these and future projects of this type a success. Allowing line relocation or the pole upgrades on your property makes it possible for United Electric to continue to improve service to you and your neighbors.

United Electric COOPERATIVE, INC.
A Tasteless Energy Partner

ANNUAL MEETING
Wednesday, May 15 2024 - 7 p.m.
Brady Township Community Center
Luthersburg, PA

- Report of Directors
- Business Session
- CEO's Report
- Results of Director Elections in District 2

FREE REGISTRATION GIFT!

\$20 BILL CREDIT FOR REGISTERED MEMBERS

DOOR PRIZES FOR REGISTERED MEMBERS

High voltage demonstration preceding the meeting at 6:30 p.m.

2024 ORGANIZATION ADMISSION

This form will admit the member listed below to the United Electric Annual Meeting held at the Brady Township Community Center, Luthersburg, on Wednesday, May 15, at 7 p.m. The member must designate and certify an official representative of the organization, business, church, etc. by completing the form below.

Name: _____

Address: _____

Phone: _____

Account Number: _____

District, if Known: _____

RESOLVED THAT _____ who is a member or officer of the organization named above is hereby designated official representative to the Annual Meeting of the members of the United Electric Cooperative, Inc. to be held in Luthersburg, Pennsylvania, on Wednesday, May 15, 2024, and any adjournment or adjournments thereof held within (60) days of said date, on all matters which at said meeting of members may properly come before them; the action of said representative and all that he or she may do is ratified and confirmed as the act of our organization.

I hereby certify that the forgoing resolution is a true and correct excerpt from the minutes of the organization enacted a meeting held on the _____ day of _____, 2024, at which time a quorum was present and acting and that the above named person is an official member of the organization.

Enter Name of Organization As Shown Above.

(Corporate Seal)

Attest: _____