

Sullivan County Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

Sullivan County REC
 P.O. Box 65
 Forksville, PA 18616
 570/924-3381
 1-800-570-5081
 Email:
 screc@epix.net
 Website:
 www.screc.com

STAFF

George E. Kline, Manager,
Administrative Services
David King, Manager,
Electric Operations
Connie Albertson CPS, Executive
Assistant

BOARD OF DIRECTORS

David Aumen
 Chairman
Charles Hall
 Vice Chairman
Walter E. Botsford
 Secretary/Treasurer
Kathy Robbins
 Assistant Secretary/Treasurer

Wayne E. Gavitt
Ann Henderson
Edwin L. Keller Jr.
Marc Lewis
Curtin R. Rakestraw II

OFFICE HOURS

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

Sullivan County Rural Electric Cooperative, Inc. Annual Meeting

Thursday, June 9, 2011, Sullivan County High School, Laporte, Pa. Notice of the Regular Annual Meeting of Members

The annual meeting of the members of Sullivan County Rural Electric Cooperative, Inc., Forksville, will be held Thursday, June 9, 2011, at the Sullivan County High School, Laporte, Pa. The meeting schedule will be:

Registration	9:30-10:30 a.m.
Business Meeting	10:30 a.m.
Speaker - Todd Sallade, PREA	11:45 a.m.
Lunch	12:30-1:45 p.m.
Program - Greenwood Valley Boys	1:45 p.m.
Door Prizes	
Adjourn	2:45 p.m.

MEMBERS will elect three directors. Election of directors is subject to Pennsylvania law and the cooperative's bylaws. Excerpts from the cooperative's bylaws dealing with the election of directors are:

ARTICLE IV, BOARD MEMBERS, Section 2(b), Nomination and Election.

Nominations for directors shall be made by members at annual meetings of the members. Persons from each district nominated to serve said district shall be nominated only by members of such district; provided, that if no member is present from said district, nominations may be made by any member present regardless of that member's district of residence.

Nominations shall not be closed until at least two minutes shall have passed during which no additional nominations shall have been made.

Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of an official action thereafter taken by the Board of Directors.

Section 3. Qualifications. To be eligible to become and/or remain a Board member of the Cooperative, a person must:

(a) be a Cooperative member who is a bona fide legal resident of the District to which elected;

(b) be a member in good standing. Good standing shall include, but not be limited to, all accounts being paid current and not engaged in litigation against the Cooperative; and

(c) not have been removed in the past by the membership or the Board for any reason other than the normal election process.

The election of directors this year will be as follows:

DISTRICT 1:

Fox Twp., (S)
 McNett Twp., (L)
 Canton Twp., (B)

DISTRICT 5:

Davidson Twp., (S)
 Shrewsbury Twp., (S)
 Penn Twp., (L)
 Franklin Twp., (L)
 Jordan Twp., (L)

DISTRICT 7:

Upper Fairfield Twp., (L)


 Secretary

Sullivan County 2011 Annual Meeting Luncheon Reservation

Please complete this coupon and return it to Sullivan County REC by May 31, 2011 (Please Print)

Name: _____
(name of person or organization listed on membership)

Address: _____

Telephone: _____

Number of luncheon reservations: _____

Sullivan County Rural Electric Cooperative, Inc.

Balance Sheets

	December 31,	
ASSETS	2010	2009
ELECTRIC PLANT:		
In service - at cost	\$ 26,167,073	\$ 25,052,082
Construction work in progress	1,319,482	343,662
Total Electric Plant	27,486,555	25,395,744
Less accumulated depreciation	(10,331,268)	(9,740,091)
Net Electric Plant	17,155,287	15,655,653
OTHER ASSETS AND INVESTMENTS:		
Investments in associated organizations	1,922,996	1,805,657
CURRENT ASSETS:		
Cash - general funds	239,019	271,074
Cash - construction fund	--	206,000
Accounts receivable, less provision for uncollectible accounts of \$32,304 and \$28,728, respectively	980,759	961,324
Materials and supplies (at average cost)	219,875	193,605
Other assets	19,430	18,214
Total Current Assets	1,459,083	1,650,217
DEFERRED CHARGES	534	1,024
Total Assets	\$ 20,537,900	\$ 19,112,551
EQUITIES AND LIABILITIES		
EQUITIES:		
Patronage capital	5,934,151	5,613,737
Other equities	(454,146)	(468,749)
Total Equities	5,480,005	5,144,988
LONG-TERM DEBT:		
CFC mortgage notes, less current maturities	10,404,706	10,367,711
Farmer MAC mortgage notes, less current maturities	3,002,187	2,178,122
Total Long-Term Debt	13,406,893	12,545,833
MISCELLANEOUS OPERATING RESERVES:		
Deferred power costs	--	38,835
CURRENT LIABILITIES:		
Current maturities of long-term debt	358,395	349,983
Credit Line - CFC	250,000	--
Accounts payable		
Purchased power	266,992	253,161
Other	29,429	37,807
Consumer deposits and prepayments	19,790	18,165
Other current and accrued liabilities	480,753	463,861
Total Current Liabilities	1,405,359	1,122,977
Total Liabilities	14,812,252	13,707,645
DEFERRED CREDITS	245,643	259,918
Total Equities and Liabilities	\$ 20,537,900	\$ 19,112,551

Sullivan County Rural Electric Cooperative, Inc.

Statements of Revenue and Expenses

	Year Ended December 31,	
	2010	2009
OPERATING REVENUES:	\$ 7,308,084	\$ 7,293,805
OPERATING EXPENSES:		
Cost of power	3,011,692	2,861,832
Distribution - operations	105,629	102,282
Distribution - maintenance	1,363,436	1,289,775
Consumer accounts	118,400	133,799
Customer service and information	324,492	303,650
Administrative and general	707,412	703,604
Depreciation	722,012	656,029
Taxes	80,490	77,668
Interest - other	2,559	6,200
Total Operating Expenses	6,436,122	6,134,839
Operating Margin Before Fixed Charges	871,962	1,158,966
FIXED CHARGES:		
Interest on long-term debt	763,085	745,840
Operating Margin After Fixed Charges	108,877	413,126
OTHER OPERATING MARGINS:		
G & T and other capital credits	218,958	270,249
Net Operating Margin	327,835	683,375
NONOPERATING MARGINS:		
Interest income	18,216	15,453
Other	1,314	(2,134)
Total Non-Operating Margin	19,530	13,319
NET MARGIN	\$ 347,365	\$ 696, 694

Sullivan County REC offices will be closed on
Monday, May 30, 2011, in observance of
Memorial Day.

Your phone number important during an outage

Mother Nature can be unpredictable. When you view records dating back many years, you can see how the weather varies. One year it may reach 80 degrees when the average is 50 degrees, and another year when you expect it to be 70 degrees, it is a brisk 38.

If you're not convinced about the variety of weather, just look at March. While we were fortunate most of this year when it came to damaging storms, we got pounded with snow on March 6 and again on March 23. The amount of snow varied from area to area. In Dushore on March 6, we received 15 inches of snow with 9 more inches on March 23. Normally snow storms don't cause us many problems except for making driving difficult. But the heavy wet snow that fell during these two storms brought down trees resulting in downed power lines and broken poles.

One tool we use in managing outages is our Porche outage reporting system. Porche uses Caller ID to identify who is calling to report an outage, and this system gives us your phone number, map number, line section and line phase. Unfortunately when the power is out, cordless phones don't work and so some people rely on cell phones to report an outage. Members calling from a phone number other than the ones listed in our file have to leave a message to identify themselves since the Porche system does not recognize the phone number. Then someone has to listen to every message manually, which slows the response time.

If you have an additional phone number such as a cell phone, please contact our office or email us with the number so we can add it to our data base. If you've changed your home phone number, please let us know this. Having your correct phone number in our records will aid in locating where outages are occurring and ensure that we're aware of your outage. Note that our systems can handle up to three phone numbers for each account. Thank you for helping us serve you better. ☀

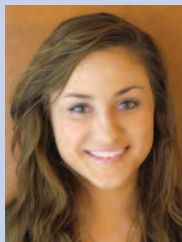
Students chosen for 2011 Youth Tour

Anyone who has visited our nation's capital cannot help but be awed by its grandeur. The Washington Monument, Lincoln Monument, Reflecting Pool, White House, museums – the list goes on and on. An opportunity to witness all this is awarded each year to students attending the Youth Tour.

Each year in June approximately 1,500 high school students from 42 states travel to Washington, D.C., as part of the Rural Electric Cooperative Youth Tour. Youth Tour students have the opportunity to experience our nation's capital, meet their legislators and learn about electric cooperatives. Sullivan County Rural Electric Cooperative sends three students (one from three different schools) to participate in this once-in-a-lifetime experience.

This year's Youth Tour students are:

Meredith Lambert: This Sullivan County High School student is the daughter of James and Melanie Lambert. Meredith is very active in school and participates in basketball, band, chorus and Future Business Leaders of America. She has also been involved with the 4-H Horse and Pony Club, Youth

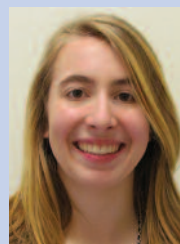


Group, Pennsylvania Arabian Horse Association and Relay for Life. Her hobbies include competitively showing Arabian horses, basketball and taking piano lessons.

Curtis Little: Curtis, the son of Sheila Little and James Jacoby, is a student at Hughesville High School. His major study interest is alternative energy. Curtis likes to play guitar and in his free time works at Original Italian Pizza in Muncy.



Natasha Bassett: Natasha, daughter of Britt and Diane Bassett, attends Montoursville Area High School. She enjoys participating in basketball, tennis, track and journalism. Natasha is involved in National Honor Society, Science Honor Society and Spanish Honor Society. She enjoys historical reading and helps mentor children at Lyter Elementary.



Energy Efficiency

Tip of the Month

Electronics account for 8.1 percent of your home's energy use. Cut costs by plugging items into a power strip, and turning the strip off when not in use. "Smart" power strips are another good option—when one master device like a TV is turned off, it cuts power to other selected items (DVD players, gaming consoles, stereos, etc.).

Source: U.S. Department of Energy

OPEN HOUSE!

Sullivan County Rural Electric Cooperative



You're invited!
Friday, May 27, 2011
Noon—3:00 p.m.

Come and view your newly renovated office building.

Tours, Meet & Greet, Refreshments

