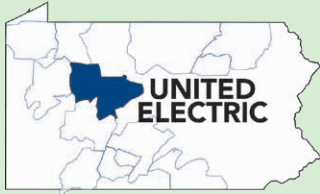




United Electric Cooperative, Inc.

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
Debra Homer, ext. 8508

Manager of Marketing & Member Service
Kristy Smith

2022 United Electric Cooperative Annual Report Chairman's Report

ON BEHALF OF THE BOARD of directors, it is my privilege to present the 2022 Annual Report. This report provides an account of United Electric's past year's activities and accomplishments. 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. It is a pleasure to work with such focused, dedicated directors and management of this cooperative.

Despite inflation and difficulties purchasing material, 2022 was a great year productively and financially for your cooperative. As you read through this report, you will see your cooperative has invested in numerous system improvement projects in our concentrated efforts to ensure a reliable electric system. 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.

As a cooperative, our members have always been the strength behind United Electric, and your unwavering support and cooperation through the years have been among 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 for.

System reliability, although crucial, is only one piece of the puzzle, and we remain mindful that we must provide great reliability while maintaining reasonable rates. United Electric, as well as our national and statewide associations, stay on top of current issues and do everything possible to lessen the effects of any new regulations on cooperatives and our membership.

I am happy to announce that for the 14th consecutive year United was in a position to return capital credits to our members. The amount returned for 2022 totaled \$1,115,048, bringing the total capital credits returned to our members to more than \$14.4 million. Results such as these do not come easy. It takes all of us — members, the board, and all employees — to keep United Electric strong and moving forward. I would like to again thank all of you for your cooperation, as well as acknowledge the dedication exhibited by the management and employees of United Electric Cooperative.

We look forward to seeing you at the annual meeting on Wednesday, May 17, at the Brady Township Community Center in Luthersburg at 7 p.m. There will be refreshments, a free registration gift for each member and a number of door prizes, including the grand prize: a Crosley 18-cubic-foot refrigerator/freezer, ideal for garage/secondary use. 📺

STEPHEN A. MARSHALL
CHAIRMAN OF THE BOARD



STEPHEN A. MARSHALL,
CHAIRMAN OF
THE BOARD



BRENDA SWARTZLANDER,
PRESIDENT & CEO

Engineering & Operations Report 2022

OUR ENGINEERING AND OPERATIONS departments had a productive 2022. We received more new service applications in 2022 than we had in the past five years. Sixty of these were for a campground near Mahaffey that decided to offer power at its campsites. Others included new home connections and seasonal property developments. Including new services, our engineers drew up and staked more than 425 work orders, which our line department completed.

The department also completed three projects in 2022 as part of our work plan for system improvements, totaling more than 15 miles of line upgrades.

Crews rebuilt and upgraded conductors across six miles of line between our Conifer and Howe substations. This improvement gives us the capability to backfeed between these substations during power outages caused by a loss of power supply.

The other two system improvement projects were in the Five Points area. An aging, 3-mile section of underground cable was replaced with an overhead line. Building this line overhead was more economical than a new underground cable. The third project completed is part of a multi-year, multi-step plan to increase reliability in our McGees Mills area. We rebuilt a 7-mile section of line from Byers Road to Route 219. Over the next two years, we will be replacing most of our old copper lines fed from our McGees Mills substation to continually improve reliability.

All system improvement projects aim to boost reliability for our members. Once construction is complete, we will have rebuilt all major lines in the McGees Mills area. We have also started engineering for the replacement of lines on three circuits in the Porter area, which is fed from our Grange substation. Approximately 16 miles of line will be rebuilt or replaced through the three Porter projects. In total, we will be replacing more than 25 miles of line to increase reliability for our members in

2023. The engineering department also has several projects in the planning and design stage.

The engineering and operations departments extend a sincere “thank you” to all of our members who were instrumental in aiding 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 pole replacements on your property makes it possible for United Electric to continue to improve service to you and your neighbors.

Vegetation management

Right-of-way maintenance is a crucial part of United Electric’s efforts to meet the ever-increasing demand for reliable electric service to our members. Cooperatives must employ professional tree contractors to achieve a modern and successful vegetation management program.

United Electric uses a system known as integrated vegetation management (IVM). This method 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 risk from hazard trees, IVM continues to lessen tree-related outages over the duration of a circuit’s maintenance cycle. A solid IVM program delivers cost-effective financial, environmental, ecological, and operational results to the cooperative and its membership. Ignoring vegetation management concerns has never been an option.

United Electric uses aerial patrols of our circuits as part of IVM, which locate and proactively reduce potential outage-causing hazards. The forestry and line departments jointly conducted a helicopter patrol of more than 400 miles of line in 2022. United personnel targeted trees that had fallen victim to storms, insects or disease. United

Continued on page 16D

Treasurer’s Report



Eileen Pisaneschi
Secretary/Treasurer

AS TREASURER OF UNITED ELECTRIC we present the 2022 audited financial report. We saw continued financial stability in 2022. The 2022 margins ended the year with a profit for 2021. The margin of \$4,380,700 was allocated to each member’s capital account.

Operating revenues increased 10.3% in 2021. Maintenance expenses increased 10.3%. Interest expense for the year was \$1,115,048. This amounted to 10.3%. Interest expense on long-term debt was \$1,115,048 in 2021.

After the allocation of this year’s margins and establishment of a reserve fund, the total assets increased from \$41,307,930 to \$44,781,460. The member equity increased from \$37,922,800 to \$41,380,700.

During 2022, United Electric proceeded with construction work completed in 2021 and \$894,911 in retirements.

The net increase in plant for 2022 was \$2,925,000. This was used to decrease outages, upgrading substations, replacing old wire and poles, installing meters, and adding new equipment to improve the reliability of electric service.

During 2022, a general capital credits retirement was completed using the FIFO (first in, first out) method. The 2022 general capital credits retirement for United has returned capital credits to the members. The total amount completed in October in the amount of \$750,000. The total amount of retirements, which totaled \$365,048 for the year. The total amount made for 2022 amounted to \$1,115,048.

2022 Total Revenue



Residential	Commercial	Seasonal
\$17,794,431 (58.67%)	\$7,014,982 (23.13%)	\$4,290,124 (14.15%)

2022 Total Operating Expenses



Purchased Power	Taxes & Deductions	Debt Service
\$9,872,454 (35.79%)	\$60,495 (0.22%)	\$3,662,000
Sales	Consumer Services & Info.	Other Interest & Deductions
\$133,816 (0.49%)	\$205,635 (0.74%)	\$21,954 (0.08%)

FINANCIAL HIGHLIGHTS

CONDENSED STATEMENT OF OPERATIONS For the year ending December 31, 2022

	2022	2021
OPERATING REVENUES	\$ 30,327,901	\$ 27,620,621
OPERATING EXPENSES		
Purchased Power	9,872,454	9,727,340
Other Operations	5,548,947	5,340,848
Maintenance	5,706,771	4,598,276
Depreciation	3,662,378	3,594,624
Taxes	60,495	60,409
Interest on Long-term Debt	2,711,182	2,669,754
Other Interest and Deductions	21,954	29,848
Total Operating Expense	27,584,181	26,021,099
OPERATING MARGINS	2,743,720	1,599,522
NON-OPERATING MARGINS		
Total Non-Operating Margins	1,637,065	2,186,872
NET MARGINS	\$ 4,380,785	\$ 3,786,394

CONDENSED BALANCE SHEET December 31, 2022

	2022	2021
ASSETS		
Electric Plant (at cost)	\$ 132,620,441	\$ 129,694,654
Construction work in progress	2,320,999	1,973,933
Less accumulated depreciation	(39,698,869)	(37,373,214)
Net Plant	95,242,571	94,295,373
Other Assets and Investments	10,552,482	9,422,013
Current Assets	12,596,050	10,799,288
Deferred Charges	135,339	351,175
Total Assets	118,526,442	114,867,849
EQUITIES AND LIABILITIES		
Memberships	\$ 46,850	\$ 49,395
Patronage Capital	41,095,967	34,383,738
Other Equities	3,638,643	6,874,797
Total Equities	44,781,460	41,307,930
Long-Term Debt	64,165,934	62,830,535
Current Liabilities	5,843,346	7,038,485
Deferred Credits / Regulatory Liabilities	3,735,702	3,690,899
Total Equities and Liabilities	118,526,442	114,867,849

2022 Audit of United Electric Cooperative conducted by
Fiore, Fedeli, Snyder, Carothers LLP Certified Public Accountants

...CTRIC COOPERATIVE, it is my privilege to
...ial statements for the cooperative. The year
...y in the financial condition of the cooperative.
...ar at \$4,380,785, as compared with \$3,786,394
...85 is 14.4% of the year's revenue and will be
...ital credits account.

...ed to \$30,327,901 compared to \$27,620,621 in
...increased from \$4,598,276 in 2021 to \$5,706,771.
...as 9.8% of our operating expenses; during 2021,
...y-term debt in 2022 was \$41,428 more than it was

...ate retirements, the total equity of the members will
...ber's equity ratio for the end of 2022 is 37.78%.
...our construction work plan for system im-
...pleted during 2022 was \$3,820,698 in additions

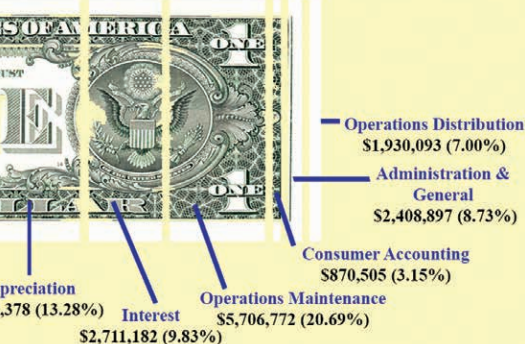
...787. Improvements included sectionalizing
...s, adding and replacing reclosers, replacing
...g new services. This work plan has been put in
...e.

...nt to the members was accomplished using
...eral retirement marks the 14th year in a row
...ership. The general capital credits retirement was
...United continues to settle estate capital credits
...The total amount of capital credits distributions

\$30,327,901 (100%)



Expenses \$27,584,181 (100%)



PLAN TO ATTEND: ANNUAL MEETING 2023

OFFICIAL NOTICE of ANNUAL MEETING

**Wednesday, May 17, 2023, 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 17, 2023. The following matters will be acted upon: reports of the directors and officers; declaration of the Board Director Elections in Districts 3 & 6; 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 17, 2023.

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

intends to continue the aerial patrol program in 2023.

In 2022, United Electric maintained approximately 500 miles of line at an average cost of \$6,022/mile. The 2022 IVM program focused on full- and mid-cycle maintenance. Through the use of qualified contractors, United Electric corrected inadequate vegetation-to-line clearances, accessibility issues and danger trees mitigation before they could become the cause of outages.

The success of any program is directly related to the cooperation

between our members and United Electric. Proper right-of-way maintenance is critical in our efforts to maintain system reliability and to keep our rights of way clear for maintenance and repair crew access. Well-maintained rights of way lessen the potential of damage to line equipment, translating to cost-effectiveness through increased productivity and shorter duration of storm-caused outages. Increased safety for our members, their families and United's personnel is also achieved by preventing trees from coming into contact with energized conductors. With your cooperation, we will continue to maintain safer rights of way and improve reliability throughout our system.

Wood pole inspection and treatment

United Electric maintains a systematic wood pole inspection program, allowing us to determine the serviceable life and safety of our poles. 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. Poles with voids are bored and probed for a more accurate determination of the extent of the void. If the pole is serviceable, the inspector will inject an internal treatment to stabilize the deterioration of the wood. Partial excavation of the pole to a depth of 6 to 9 inches follows. The inspector looks for signs of decay, green mold, bleaching, etc. If any of the aforementioned are present, a full excavation to a depth of 18 inches is performed. Decay is scraped away and a preservative and moisture barrier are applied.

In 2022, 5,808 poles were inspected and treated at an average cost of \$26.80/pole. Sixty-six poles (1.1%) were determined to be unserviceable. From inspection reports, our engineering technicians were 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.

United Electric COOPERATIVE, INC.
A Touchstone Energy® Partner

ANNUAL MEETING
Wednesday, May 17, 2023 - 7 p.m.
Brady Township Community Center
Luthersburg, PA

FREE REGISTRATION GIFT!

\$20 BILL CREDIT FOR REGISTERED MEMBERS

- Report of Directors
- Business Session
- CEO's Report
- Results of Director Elections in Districts 3 & 6

DOOR PRIZES FOR REGISTERED MEMBERS

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

2023 ORGANIZATION ADMISSION

This form will admit the member listed below to the United Electric Annual Meeting held at the Brady Township Community Center, Luthersburg, Pa., on Wednesday, May 17, 2023, 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 the official representative to the annual meeting of the members of United Electric Cooperative, Inc. to be held in Luthersburg, Pa., on Wednesday, May 17, 2023, 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 foregoing resolution is a true and correct excerpt from the minutes of the organization enacted at a meeting held on the _____ day of _____, 2023, 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: _____