

ANNUAL REPORT 2024



**Central Electric
Cooperative**

CEC was founded on July 12, 1937 on the belief that by working together, we could improve the quality of life for residents of Western Pennsylvania through the power of electricity. That idea hasn't changed.

CEC is Focused on Better Serving You

Executive Report

Central Electric Cooperative (CEC), successfully navigated the challenges of 2024. The leadership and guidance of your member-elected Board of Directors, combined with the continuous dedication of CEC's employees, resulted in significant improvements and positive outcomes throughout the organization, benefiting our members. This introduction offers an overview of these efforts and serves as an executive summary of the following report, which provides a detailed review of CEC's accomplishments in 2024.

Addressing our changing workforce and business changes, the cooperative performed an organizational structure review. The process is one that we undergo periodically to ensure our resources are best aligned to meet the ever-changing needs of our membership. This iteration led to new professional development opportunities for several employees that will ascend to roles as department directors, managers, and supervisors as the current generation prepares to leave the workforce. These efforts incorporated new voices and fresh ideas throughout the organization and fostered a renewed level of engagement and team building. Coincidentally, the cooperative was able to complete a lengthy contract negotiation with our bargaining unit employees resulting in newly ratified contracts mid-year.

This executive report is intended to highlight only a few of the important accomplishments made throughout the year. The highlights illustrate the strong position of our cooperative, preparing us to address future challenges. It is only through the hard work of your member-elected Board of Directors and the employees that these results are possible.

The areas of emphasis in CEC's strategic plan are still safety, rates, reliability, and community.

Highlights for 2024 include:

- Recognized a margin of \$6,179,909.
- Returned \$1.9 million in patronage capital to members in the form of capital credits.



Robert W. Smith
President, Board
of Directors

Matthew P. Boshaw
CEO &
General Manager



- Helped 489 families in need pay electric bills through Family Fund and Hardship Grant programs.

These programs are funded entirely by member contributions, the Round-Up program, and unclaimed capital credits.

System Improvement Progress

The Cooperative concentrated its efforts toward continuous improvement of the electric distribution system in 2024. A total of 8.9 line miles of major line rebuilds were completed during the year. Additionally, significant progress was made on major maintenance projects throughout the service territory, with a total of 998 work orders and 2,268 service orders completed. Our inspection and replacement programs maintained system reclosers, voltage regulators, inspected 5,964 poles, and replaced 206 poles.

In 2024, the total outage time was 309,530 consumer-hours. This was less than 2023 (737,397 hours) but more than 2022 (302,211 hours). The average outage time per consumer was 12.0 hours. Without major storm events and Power Supplier outages, the average was 7.8 hours. Power Suppliers caused 33.4% of the total outage time in 2024. Approximately 39% of the outages were caused by trees and there were two major events. As a result, we continued our efforts in right-of-way clearance, utilizing three tree trimming contractors to trim 316.7 miles of right-of-way. Through our demand-side management program, we were able to realize savings of over \$680,683 in power costs.

Safety

The safety of our employees and the communities we serve is our highest priority. CEC recently restructured the safety department which now contains building and grounds. While we have increased our system maintenance efforts, the department remains focused on additional training and inspections designed to remind employees of all safety requirements and guard against complacency. The Rural Electric Safety Achievement Program (RESAP) assessment was completed in 2022, and the next assessment will occur unannounced in 2025. There were eleven recordable incidents in 2024 that resulted in 219 days away from work and 225 days of restricted duty. Most of the injuries were strains, sprains, slips, trips, and falls. Three of the eleven recordable incidents were the result of animals (ticks and dog bites). No incidents were the result of electrical contact. The culture of safety at CEC follows the mentality that safety is the responsibility of each employee.

Quality Service

In 2024, we continued to assess and update our processes to better align with the evolving needs of our membership. We offered more of our value-added services, including our Safety City program, and expanded the safety message to new audiences. We worked with our Member Aware Advisory Committee (MAAC) for the 2024 to 2025 term. CEC held its first Member Appreciation Event at our headquarters in Parker, PA on June 14, 2024. The event was an open-house style format that included entertainment, educational information, children's activities, giveaways and raffles, and refreshments. We continued our appliance rebate program and provided scholarships to ten students through our Good Neighbor Scholarship program. These were at no cost to members.

CEC has approximately 14,122 registered SmartHub users, which is a significant increase from the 11,799 users in 2023. Member Services processed over 2,600 inquiries through SmartHub eliminating the need for members to call into the office to conduct business. Electronic bill payment via SmartHub sits at 72% of payments processed electronically, decreasing print costs.

CEC's Family Fund program assisted 300 families in need by paying their electric bill totaling \$125,795.72. Our Hardship Grant helped 189 families in need by paying their electric bill for a total of \$66,073.67. The

2024 Energy Assistance Program provided financial support for 367 CEC members in need, totaling \$215,928.77, to help them manage their electric bills.

Annual Meeting of the Members

On August 8th, 2024, Central Electric Cooperative held the 87th Annual Meeting of the Members at AC Valley Elementary School at 6:00 PM. The forty-five members and their guests in attendance listened to remarks from Matthew Boshaw, CEC's CEO and General Manager, and took the opportunity to speak with CEC's board of directors, management team, and staff. During the meeting, it was confirmed that incumbent directors Rick Weaver, Clarion County Representative, and Ken Durrett, Butler County Representative, were re-elected in uncontested races.

Information Technology

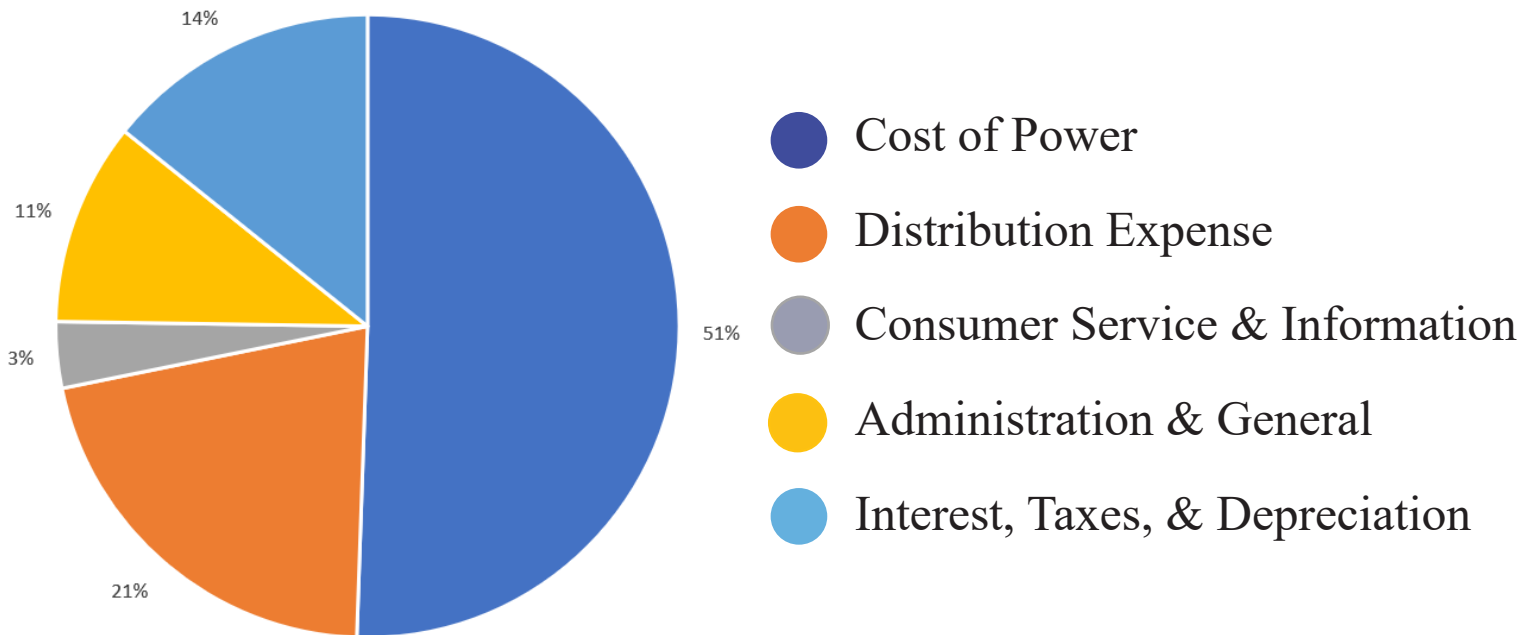
In 2024, noteworthy efforts were made in CEC's information technology infrastructure and cyber security. The IT department optimized the organization's backup strategy and processes. IT also addressed security patches and operating system updates were installed on core servers and all network equipment. All of this and more took place in conjunction with completing department specific maintenance and support. The department improved the efficiency and security of our cyber infrastructure.

CEC's planning approach focuses on continuous, incremental improvement, providing a level of flexibility to seize opportunities and overcome the challenges of the past year. By focusing on our mission to safely distribute this essential service reliably and affordably to our members, our dedicated board and employees have delivered strong results in 2024.

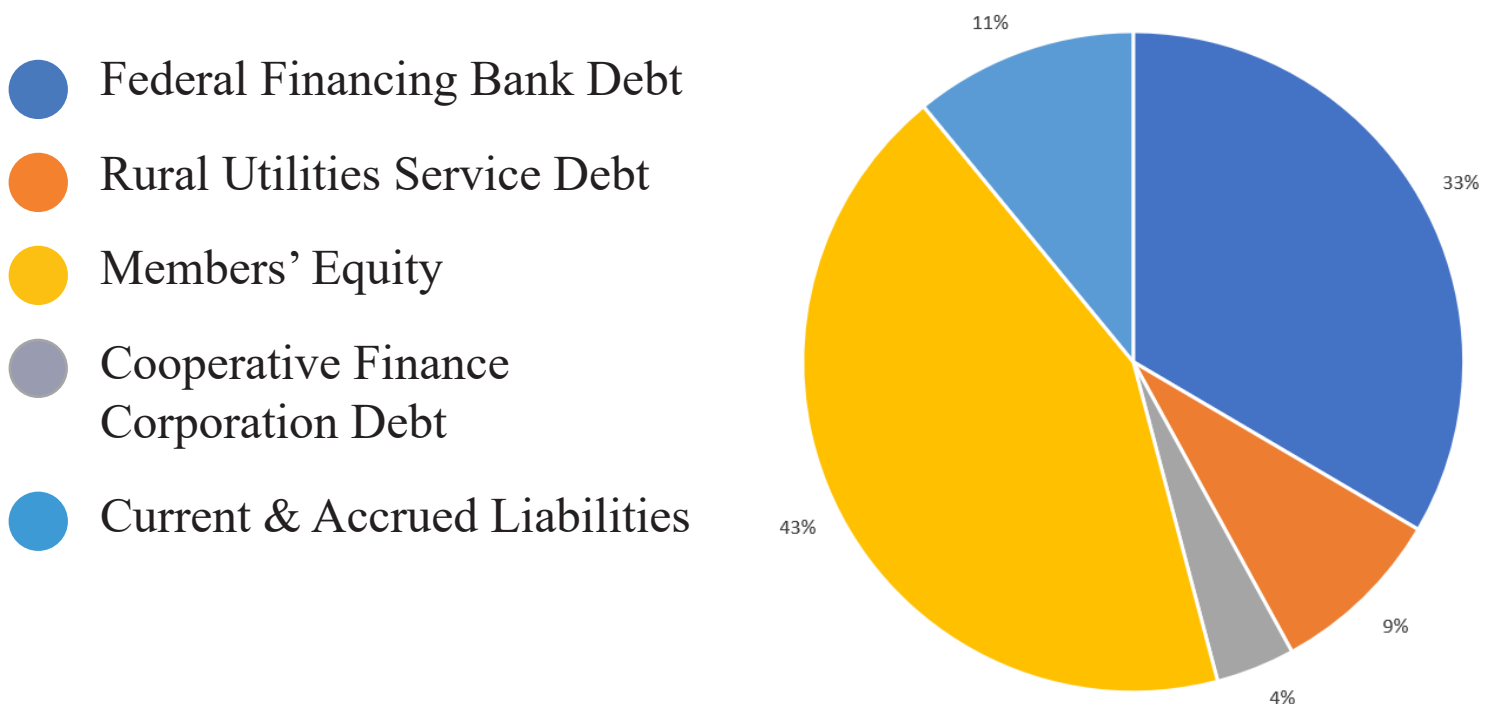
MANAGEMENT TEAM

Matthew P. Boshaw*CEO & General Manager***Chester Conti***Director of Finance and Accounting/CFO***Lisa A. Hoover***Director of Member Services***Christopher W. Kossman***Director of Information Technology***Fred E. Terwilliger***Assistant General Manager/COO*

Where Your Electric Dollar Went — Total Operating Revenue: \$49,723,931



Equity to Debt — Members' Ownership vs. Borrowed Capital Total Assets: \$132,463,751



Years ended Dec. 31

OPERATING REVENUES:

Electric energy revenue	\$ 48,369,795	\$ 47,760,470
Customers' forfeited discounts and penalties	113,903	116,751
Rent from electric property	1,217,618	1,198,809
Miscellaneous electric revenue	22,615	19,848
Total Operating Revenues	49,723,931	49,095,878

OPERATING EXPENSES:

Cost of power	22,847,588	23,373,328
Distribution - operations	1,813,106	1,945,834
Distribution - maintenance	7,791,274	9,869,949
Consumer accounts	1,372,694	1,465,161
Customer service and information	182,224	177,209
Administrative and general	4,757,631	4,836,743
Depreciation and amortization	4,466,956	4,318,187
Taxes	55,653	56,688
Interest - other	6,158	2,003
Interest on long-term debt	1,903,752	1,952,383
Total Operating Expenses	45,197,036	47,997,485
Operating Margins Before Patron Allocation	4,526,895	1,098,393

G&T AND OTHER CAPITAL CREDITS**NET OPERATING MARGINS**

	1,233,674	1,576,665
	5,760,569	2,675,058

NON-OPERATING MARGINS:

Interest income	326,082	472,181
Other	93,257	188,339
Total Non-Operating Margins	419,339	660,520

NET MARGINS

	6,179,908	3,335,578
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OTHER COMPREHENSIVE GAIN

Net gain during period	2,650,920	1,232,047
Amortization of actuarial (gain), loss, net	(607,760)	131,686

TOTAL COMPREHENSIVE INCOME

	\$ 8,223,068	\$ 4,699,311
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The financial report statements are compiled from the 2024 Audit Report as presented by the firm of Adams, Jenkins, and Cheatham. A complete copy of the audit is available for examination at the CEC office during normal business hours.

ASSETS AND OTHER DEBITS**Property, Plant, Equipment:**

Electric plant in service - at cost
Construction work in progress

Less Accumulated Provisions for Depreciation**Total Electric Plant****OTHER ASSETS AND INVESTMENTS:**

Investments in associated organizations

Total Other Assets and Investments**CURRENT ASSETS:**

Cash - general funds
Accounts and notes receivable:
Materials and supplies (at average cost)
Other current and accrued assets

Total Current Assets**DEFERRED CHARGES****EQUITIES AND LIABILITIES****EQUITIES:**

Memberships
Patronage capital
Other equities
Accumulated other comprehensive loss

Total Equities**NONCURRENT LIABILITIES****Long Term Debt:**

RUS notes, less current maturities
CFC notes, less current maturities
FFB notes, less current maturities

Total Long-Term Debt

Other

Total Noncurrent Liabilities**CURRENT LIABILITIES:**

Current maturities of long-term debt
Accounts payable
Consumer deposits and prepayments
Other current and accrued liabilities

Total Current Liabilities**DEFERRED CREDITS****COMMITMENTS AND CONTINGENCIES**

2024	2023
\$ 155,739,338	\$ 152,478,918
531,157	436,182
156,270,495	152,965,100
59,577,222	57,850,168
96,693,273	95,114,932
-	-
18,260,398	17,689,979
18,260,398	17,689,979
8,789,830	7,401,305
6,230,441	5,888,715
1,980,815	1,314,710
495,063	412,751
17,496,149	15,017,481
13,931	188,243
\$ 132,463,751	\$ 128,010,635
\$ 82,975	\$ 85,095
40,920,458	37,883,201
13,959,967	12,755,671
2,230,725	187,565
57,194,125	50,911,532
11,341,044	12,379,899
5,110,393	5,698,066
44,336,179	42,604,785
60,787,616	60,682,750
2,747,841	5,511,314
63,535,457	66,194,064
3,096,139	3,067,516
3,597,510	2,777,302
1,487,043	1,480,341
1,427,355	1,392,005
9,608,047	8,717,164
2,126,122	2,187,875
\$ 132,463,751	\$ 128,010,635



Nancy Lendyak
Armstrong County



Kenneth Durrett
Butler County



Robert Smith
Butler County



Jody Weaver
Clarion County



Richard Weaver
Clarion County



Jared McFarland
Forest County



Kenneth Etzel
Venango County



Althea Smith
Venango County



New Board Member Spotlight: Jared McFarland

In January 2025, Mr. Jared McFarland was appointed as the Forest County Representative on CEC's Board of Directors.

Mr. McFarland has been a CEC member since 2011. He attended Penn State University where he earned his undergraduate degree in biology. He furthered his education at Lake Erie College of Osteopathic Medicine where he earned his Doctorate of Pharmacy.

Mr. McFarland applies his education in his role as a Pharmacy Manager and has worked at the Walmart Pharmacy in Cranberry for 18 years.

He enjoys time with his wife, Katherine, and their two children.

From the Kitchen of:

Joanne McVay



RECIPE: ZUCCHINI DILL PICKLES

INGREDIENTS:

3 qts. zucchini or summer squash
6 garlic cloves
1/4 c. pickling salt
2 1/2 c. white vinegar
2 1/2 c. water
3 sprigs fresh dill
18 peppercorns

INSTRUCTIONS:

1. Cut squash lengthwise into sticks of appropriate size for canning.
2. Combine garlic, salt, vinegar, and water. Bring to a rolling boil.
3. Place garlic cloves in each hot, sterilized jar. Arrange zucchini sticks in jars; add dill and peppercorns.
4. Pour in hot pickling juice. Seal and process in a boiling water bath for 10 minutes.
5. Wait atleast 24 hours before eating. For the best results, let them sit for a few days. Enjoy!

Send your own recipe to:

Izzy Cellucci; icellucci@central.coop or mail to P.O. Box 329, Parker, PA 16049



Central Electric Cooperative

A Touchstone Energy® Cooperative



Your Board of Directors

From left (back row): Kenneth Durrett, Butler County; Richard Weaver, Clarion County; Jared McFarland, Forest County; Jody Weaver, Vice President, Clarion County; Ken Etzel, Venango County; (front) Althea Smith, Secretary/Treasurer, Venango County; Robert Smith, President, Butler County; Nancy Lendyak, Armstrong County.



central.coop/meet-your-directors

MISSION: CEC safely provides reliable

and competitively priced electricity to our consumer-members and was established by and is committed to the communities we serve.

716 Route 368, P.O. Box 329, Parker PA 16049

Member Services: 800-521-0570

Outages: 800-282-8610

Newsletter Editor: Izzy Cellucci

This institution is an equal opportunity provider and employer.



**ON THE GO AND
IN CONTROL.**

MANAGE

your account

REPORT

service issues

VIEW AND PAY

your bill

RECEIVE

key notices

MONITOR

usage 24/7

*...all in the palm of your
hand and online.*



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