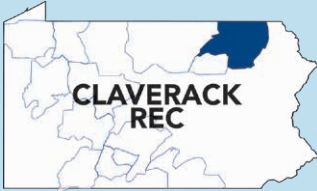


Claverack Rural Electric Cooperative

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

CLAVERRACK REC

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570-250-2200
- Danise C. Fairchild, Zone 1**
Vice Chair
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- Timothy T. Tewksbury, Zone 6**
Secretary/Treasurer
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- Anthony J. Ventello, Zone 9**
607-765-2615

Steven G. Allabaugh
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Annette L. Koder, *Executive Assistant*
Nicholas J. Berger, Sr. *Director, Engineering and Operations*
Jennifer W. Jones, *Chief Financial Officer*
Brian F. Zeidner, *Director, Member Services*

OFFICE HOURS

Monday through Friday
7:30 a.m. - 4 p.m.

Casey M. Wood, *VP, Communications*
C&T Enterprises, Inc.



C&T Enterprises, Inc. is a jointly owned subsidiary of Claverack (Wysox, Pa) and Tri-County (Mansfield, Pa) Rural Electric Cooperatives. C&T provides shared management and support services for the two parent electric cooperatives, the cooperatives' telecom affiliates of Revolution Broadband and Tri-Co Connections, and C&T's subsidiary utilities of Wellsboro Electric Co. (Wellsboro, Pa), Citizens' Electric Co. (Lewisburg, Pa), and Valley Energy (Sayre, Pa), a natural gas distribution company.

Turning Plans into Action at Claverack Rural Electric Cooperative



STEVEN G. ALLABAUGH

DEAR MEMBERS,

I hope you had a peaceful and fulfilling holiday season. As we step into a new year, it feels like a fresh start for all of us. While personal New Year's resolutions may at times be grandiose and difficult to attain, here at Claverack, we are focused on turning our New Year's "resolutions" into reality.

We laid the groundwork for these resolutions long before January. As summer winds down each year, our dedicated team starts developing detailed capital and operating budgets that will guide our efforts and investments in the coming year. These budgets are carefully analyzed and dissected to ensure they are fiscally responsible and aligned with our mission of providing our valued members with safe, reliable, and affordable service. Once the budgets are approved by the board of directors, it is time for us to roll up our sleeves and get to work.

In 2024, our budgets prioritize continued investments in right-of-way management, infrastructure improvements, and the implementation of new technology to improve reliability and offer enhanced services.

This will be the third and final year of our Accelerated Ash Tree Removal Program. This program requires the aggressive removal of dead and dying ash trees along our lines and outside our maintained rights of way that have been attacked by the invasive emerald ash borer. In 2024, we plan to carry out ash mitigation work at five additional substations, targeting trees across our entire system. Last year, we removed more than 16,000 dead and dying ash trees threatening our power lines. The program has reduced the total member outage time due to trees contacting our lines by more than 62% and decreased the overtime hours put in by lineworkers by 26% from 2022 to 2023. The accelerated ash removal charge will be removed from member bills at year's end, and our vegetation management budget will return to more normal levels in the future.

Infrastructure upgrades are another essential aspect of our resolutions. We are nearing the completion of the Herrick substation replacement project, which involved selecting a new site and overcoming supply chain delays. This vital project replaces aging structures and equipment, allowing for technological upgrades that will provide reliable service for years to come. We also have line upgrade projects planned, including the replacement of 15 miles of small, aged conductors with larger wire in the Vernon, Franklin Forks and Middletown substation areas, to improve reliability in these regions.

Our investment in the fiber optic network continues with plans to install new lines in our Litchfield, Plank Road, Monroeton, Leroy, Evergreen and Hollenback substation areas in Bradford County. We aim to begin installations in Susquehanna County by the end of the year. This will enable our broadband subsidiary to offer fiber-to-the-home internet service to members in these areas. We will also install several electronic reclosers that integrate with our Supervisory Control and Data Acquisition system — or SCADA — on the fiber optic network. This significant step forward in our long-term plan to create an advanced distribution grid will expand our monitoring and operational capabilities to devices on our electric distribution lines. Furthermore, we will

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TURNING PLANS INTO ACTION

Continued from page 16A

connect several substations to the new fiber optic network, enhancing cybersecurity and improving communications capabilities.

We have some exciting educational programs planned this year, too, including offering members the opportunity to drive our electric vehicle. We are also launching a pilot educational program in collaboration with experienced and interested members to research a low-growing pollinator habitat that benefits our ecosystem and is compatible with electric lines. More details on these initiatives will be shared in future *Penn Lines*. As always, we remain committed to promoting energy conservation, including the continuation of our appliance rebate program, which helps members offset the cost of purchasing certain Energy Star®-rated appliances. We will also continue to offer our HOPE program to help members experiencing financial difficulties and our support of many local nonprofit agencies.

Of course, investing in and maintaining our system comes at a price. 2023 saw significant increases in electric generation and transmission (G&T) costs, accompanied by extremely high inflation in the electric utility market. These

factors led to the first consequential increase in member rates in many years. While inflation remains high, the news is better this year. In 2024, our rates per kilowatt-hour for G&T and distribution will remain the same, while our fixed customer charge will increase by \$2 to keep up with inflation. While we are thankful a significant rate increase is not necessary, please know we are mindful of the impact any potential future rate increases can have, and we will continue to work toward providing reliable service at the lowest

possible cost.

In keeping with the spirit of the new year, we resolve to continue providing the safe, affordable and reliable services you have come to expect from us over the past 87 years.

Thank you for your continued trust and support. 🙏

Warm regards,



STEVEN G. ALLBAUGH
PRESIDENT & CEO
CLAVERACK RURAL ELECTRIC
COOPERATIVE



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