Our Mission

PROVIDE SAFE, RELIABLE POWER AT COMPETITIVE RATES AND IMPROVE THE QUALITY OF LIFE IN THE COMMUNITIES WE SERVE.

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MOVING FORWARD: 80 Years Of Progress

Dear Members,

A lot can happen in a decade, let alone eight of them. At Adams Electric we’ve been honored to be the providers of electricity for up to 32,500 homes, farms, businesses and members for 80 years, and counting.

Each decade comes with its own story, some tougher than others. For instance, in the 1940s our founding membership fought the “Battle of the Pole Holes” during a cold January in the Newville area of Cumberland County. They backfilled the utility pole holes dug by a private power company trying to interfere with the creation of a local cooperative. Electricity finally came to travel Adams Electric’s power lines in Shippensburg and then Gettysburg, May 3, 1941, to much fanfare and celebration. See a full timeline of important events in the cooperative’s history on the next page.

These significant events in Adams’ history have shaped the cooperative into the organization it is today. But as we move through our 80th year of service to our members, we continue to “Move Forward” into the future.

In 2019, the cooperative added two plug-in electric vehicles (PEVs) to its fleet – an all-electric Hyundai Kona and a plug-in hybrid Mitsubishi Outlander helping Adams staff to better answer its member’s questions about the up-and-coming PEV industry. Additionally, Adams Energy Resources, LLC was formed. The current primary function of the subsidiary is help local businesses install EV chargers to help improve the current charging infrastructure. Just one way we are “Moving Forward” with new technologies.

Although the annual report is a look back at 2019, you will also see some ways Adams is “Moving Forward” through our 80th year of proudly serving our members.

Steve Rasmussen
CEO/General Manager

Glenn E. Bange
Board President
Adams Electric Cooperative is incorporated, and nine directors are appointed to the first board of directors.

May 3: Electricity flows through the lines to Shippensburg and Gettysburg.

Allegheny Electric Cooperative, the co-op’s generation and transmission cooperative is formed.

Adams Electric introduces a formal safety training and accreditation process.

Jan. 30: “The Battle of the Pole Holes” occurs as a non-violent battle involving local residents who refill pole holes dug by Pennsylvania Power and Light Company, in order to try to prevent the invading electric company from taking over the territory.

Pennsylvania Rural Electric Association is formed to serve as a unified voice for cooperatives in PA and NJ.

First issue of Penn Lines is printed and distributed to electric co-op members statewide.

Aug. 21: Adams Electric celebrates its 50th anniversary with the dedication of a historical plaque honoring rural electric cooperatives. The plaque is located along Route 34 near the Gettysburg District office.

One of the nation’s first hybrid electric bucket trucks is put into service at Adams Electric.

Adams Electric purchases two electric vehicles and creates Adams Energy Resources, LLC.

Project Helping Hand (PHH) is offered to members who fall on hard times.

Adams introduces new demand response technology (now known as U-Shift, U-$ave) to move electricity off-peak, saving co-op members millions of dollars in avoided power purchases.

The first Adams Electric website is launched at www.adamsec.coop.

Solar panels are installed and put into operation behind the Co-op’s Headquarters building in Gettysburg.

A timeline of major events in Adams Electric’s history

Then & Now
Adams Electric Board Members

Adams Electric is governed by a board of nine directors, elected by the membership, to serve three-year terms. For the purpose of electing these directors, and to ensure that all areas of the co-op’s service territory are well represented, the cooperative is divided into nine zones. Although each director is a member of his or her zone, the entire co-op membership votes directors into office through an election process which ends at the co-op’s annual meetings each Spring.

MOVING FORWARD
With Cooperative Support

Acre/Co-op Owners For Political Action (Co-op Owners) is a group of members and employees who invest in legislators who support cooperatives. This non-partisan political action committee gives its participants the opportunity to have their voices heard on issues affecting their co-op and their communities. Adams Electric has nearly 90 employees, directors and their spouses contributing to ACRE, the group that represents employees and directors. One hundred and fifty members have voluntarily joined Co-op Owners and contribute as little as $2.88 on their monthly electric bill.
MOVING FORWARD With Member Support

Adams Electric’s member assistance fund, administered by the Adams County Community Foundation, provides limited funding – payable through agencies throughout the service territory – to members who need help paying their electric bills.

In 2019, the co-op distributed over $55,000 of Project Helping Hand funds to assist nearly 240 members. Project Helping Hand funds are collected from members each year through Operation Round-Up, Ownership Rewards and one-time fundraisers and donations from employees and the board.

80 Years of Ownership Rewards

One of the many benefits of being a member-owner of Adams Electric is the annual return of Ownership Rewards to members. The board of directors voted once again to return Ownership Rewards to current and former members, thanks to another financially strong year. In 2019, the total return was $1.9 million. This raises the total amount returned to nearly $46 million since the first retirement in 1964. Ownership Rewards is based upon the allocation of an ownership share to each member based upon their annual use of electricity. This allocation continues to grow, a percentage of which is returned each year through the retirement process.

Improving the Quality of Life for 80 Years

The cooperative’s mission statement includes more than providing safe, reliable energy – it also seeks to improve the quality of life in the communities it serves. One way Adams works to improve life is through donations. In 2019, the cooperative supported more than 75 community organizations through direct donations.

Each year the cooperative teams with CoBank, one of Adams Electric’s financial service providers, through their Sharing Success program which matches charitable donations. In 2019, four programs were awarded matching dollars from the Sharing Success program: The American Red Cross South Central PA Chapter, the Borough of Gettysburg, PA Friends of Ag Foundation and the Adams County Arts Council.

Improving the quality of life in the communities the co-op serves comes in forms other than monetary donations. York District crew members set two poles at the Wellsville Fairgrounds. On-site during the pole donation and setting are Lineman Eric Altice, Superintendent Mike Ward, Lineman Craig Mummert, Line Serviceman Cecil Knotts and Director Tom Knaub.
The Credentials and Election Committee (pictured) oversees the director election process that concludes at the co-op’s annual meeting each Spring. The committee acts on behalf of the membership as a non-biased entity to manage the co-op’s election, nominate candidates if there is an open board seat and make election recommendations to the board.

**CREDENTIALS AND ELECTION COMMITTEE**

Karolyn Emery  
Charlene Leatherman  
Barbara Laughman  
John Ramirez  
Lorena Cutshall  
Barry Lipschutz  
Scott Koernschild  
Kenneth Leidy  
Rev. Robert Hudson  
John Kasarda  
Charles Adler  
Earl Parshall  

**SCHOLARSHIP COMMITTEE**

Peggy Magaldi  
Zachary Boyer  
Francis Meyer  
Betty Lipschutz  
James Myers  

Brian Lott  
Rev. Robert Hudson  
Laverne Musser  
Kathy Keller  

**Nadine Hubner** *

**MEMBER ADVISORY COMMITTEE**

Mr. & Mrs. Mark Berg  
Mr. & Mrs. James Henderson  
Mr. & Mrs. George Weikert  
Mr. Gary Mantha  
Miss Heather Holt  
Mr. & Mrs. Carr Marks  
Miss Barbara Laughman  
Mr. & Mrs. James Morhaleck  
Mrs. Jeanette Martz  
Mr. & Mrs. Tom Carroll  
Mr. & Mrs. Barry Lipschutz  
Mrs. Kristina Peters  
Mr. & Mrs. James Myers  

Mr. Charles Snyder, Jr.  
Mr. Jon Swanson  
Mr. & Mrs. Don Carlile  
Mr. & Mrs. Craig Johnson  
Mrs. Betty Trout  
Mr. Alexander Kalif  
Mr. & Mrs. Richard White  
Sg. Brandon Dunlap  
Mr. & Mrs. Laverne Musser  
Mr. & Mrs. Edwin Walker  
Mr. and Mrs. Stan Allen  
Mr. & Mrs. Charles Adler  
Mr. & Mrs. Earl Parshall  
Mr. & Mrs. Arthur Yingling, Jr.  
Mr. Dan Eisenhart*  
Mr. Jay Herman*  
Mr. Dale Myers*  

*Board Liaison
In May 2019, the co-op purchased two PEVs as fleet cars for daily office and travel ventures – a Hyundai Kona all-electric vehicle and a Mitsubishi Outlander plug-in hybrid electric (PHEV) SUV with a goal to better educate employees and members on PEVs.

Keeping Charging Affordable

In August 2019, the board of directors voted to offer a one-time bill credit of $300 to any residential member who installs a Level II charging station tied to the co-op’s U-Shift, U-$ave off-peak subpanel program. The expansion of the U-Shift program offers a rate reduction and provides the least costly way for an owner to charge their PEV. This credit assists a member with the cost of purchasing and installing a Level II EV charging station or helps cover some of the installation cost of the interruptible subpanel. Ten members have already received the one-time bill credit.
With EVs

Progressing with Charging Stations

In 2019 Adams Electric helped form Adams Energy Resources, LLC to assist local businesses to install Level II ChargePoint electric vehicle charging stations at business locations. The stations generate revenue and are available for public use.

Since its inception, the LLC has started the installation process for six new Level II charging stations around the co-op’s service territory, including three chargers the co-op owns at its district office locations.

Key Accounts/ Senior Safety Specialist Mike Johnson plugs the co-op’s PHEV into a newly-installed charging station at Ski Liberty in Adams County. The stations, open to the public, were installed through Adams Energy Resources, LLC.

Navigate The Road Map To EVs

Adams Electric launched the Roadmap to EVs on its website in May 2019. The interactive web module, supported by ChooseEV, features information and benefits of EVs, savings and CO2 emissions reduction calculators, a charger finder map and an incentives page.
MOVING FORWARD With Improvements

Saving Through Shifting Use
Adams Electric has had a demand management program, now called U-Shift, U-$ave, since the late 80s. Members volunteer to have a U-Shift switch installed on their water heater, AC unit or separate subpanel which can be interrupted by the cooperative during times of peak demand. In return, program participants receive a bill credit or reduced rate, depending on their program participation.

In 2019, this voluntary U-Shift program saved Adams over $1 million in avoided power purchases, bringing our total savings since the inception of the program to $22,553,490.

U-Shift Switches on System
- Water Heater: 7,943
- Air Conditioner: 1,020
- Separate Subpanels: 1,172

Stable Rates for 80 Years
Rates remained unchanged for 2020 following a 2019 decision by the Adams Electric Board of Directors. Cooperative rates remain competitive with other local electric providers and members can take advantage of incentive rates to lower their monthly bill even further.

Average Monthly Rates
*First Quarter 2020 Rates
Sources of Power

Below is a chart showing the breakdown in the sources of power used during 2019 to support the cooperative’s distribution system.

- **58.9%** NUCLEAR (Susquehanna Steam Electric Station)
- **9.9%** HYDRO (Raystown Power Hydro Dam and New York Power Authority)
- **0.1%** RENEWABLES (Member Interconnections)
- **31.1%** MARKET PURCHASES* *(includes purchases from available and cost efficient sources of power (nuclear, coal, renewable, etc.))

New Fairfield Substation

The cooperative’s Fairfield Substation was essentially rebuilt following a two-year planning and construction process that culminated in late October 2019. The station was originally built in 1978 and received two new transformers, new circuit breakers and a new control house. The system upgrades will provide improved reliability in the Adams County area served by the substation, allows for larger load capacity and modernized the substation.

A new, 29-ton, 15-megavolt amp (MVA) transformer is delivered by specialty trucks to the Fairfield Substation to replace the 41-year old transformer that was previously being used.

Journeyman First Class Brandon Beard flips the switch to bring one of the new transformers online at the Fairfield Substation.
MOVING FORWARD
With Drones

A group of Adams Electric linemen and engineering employees attended a drone pilot training at Adams Electric in early 2020. Cooperatives nationwide have begun to use drones in their wire, pole and substation inspections. This type of technology requires highly trained and tested pilots, but would allow the cooperative to perform more frequent inspections on cooperative equipment that currently needs a helicopter to examine.

GIS Specialist Josh Wayne checked the battery pack on the drone as part of a preflight test during drone pilot training. The drone pictured includes a regular and thermal scanning camera.

Eighty Years of Communicating

Adams Electric launched text and email account notifications in 2019, allowing members to get important account and power alerts more quickly.

Through the SmartHub account management program, members who have an account can sign up for text or email notifications, including bill available, power outage and restoration updates and U-Shift notifications.

Over 21,000 of our 32,500 members have registered for a SmartHub account which lets members pay and view their bill, report outages, sign up for notifications, and contact us online or through a downloaded SmartHub app. Nearly 400 SmartHub users have signed up to receive text notifications.
Healthy Employees for Progressive Work

In 2019, Adams Electric received the Bronze level Workplace Health Achievement recognition for the fourth year in a row. This recognition is a science-based and evidence-informed measurement that assesses and recognizes workplace health programs. Adams Electric launched its wellness program in 2009 and continues to expand its wellness initiatives each year. The annual program includes on-site fitness equipment, plus annual health screenings, walking programs, brain health initiatives, weight management programs and newsletter campaigns.

Supporting Education

Adams Electric expanded its scholarship program in 2019 to include scholarships for students seeking education in a Career and Trades program and for undergraduate students.

Eight scholarships were available for students specifically pursuing a vocational or technical school track. In 2019, Adams offered five scholarships to sons and daughters of cooperative members already attending a post-secondary school; that number was increased to eight in 2020. The cooperative continues to offer scholarships to up to 27 public, private and homeschooled students heading to a two- or four-year college, and 10 adult members.

Legal and Corporate Services Manager Jim Chiaruttini, left, and Board Vice President and Scholarship Committee Liaison Nadine Hubner, right, present scholarships to 2019 high school scholarship award recipients.

*Scholarships are funded by unclaimed Ownership Rewards and do not affect rates.
### Consolidated Statements of Operation

#### Operating Revenues

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Sales Revenue</td>
<td>$66,909,158</td>
<td>$67,047,208</td>
<td>$(138,050)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Other Electric Revenue</td>
<td>1,242,173</td>
<td>1,220,433</td>
<td>21,740</td>
<td>1.8%</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>$68,151,331</td>
<td>$68,267,641</td>
<td>$(116,310)</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Energy Supply</td>
<td>$36,884,933</td>
<td>$38,976,035</td>
<td>$(2,091,102)</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Variable Operating Expense</td>
<td>16,326,451</td>
<td>15,329,637</td>
<td>996,814</td>
<td>6.5%</td>
</tr>
<tr>
<td>Depreciation On Assets</td>
<td>5,327,576</td>
<td>5,124,431</td>
<td>203,145</td>
<td>4.0%</td>
</tr>
<tr>
<td>Interest On Long-Term Debt</td>
<td>4,357,211</td>
<td>4,111,974</td>
<td>245,237</td>
<td>6.0%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$62,896,171</td>
<td>$63,542,077</td>
<td>$(645,906)</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

#### Margins

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>$5,255,160</td>
<td>$4,725,564</td>
<td>$529,596</td>
<td>11.2%</td>
</tr>
<tr>
<td>Non-Operating Margin</td>
<td>1,281,255</td>
<td>2,135,526</td>
<td>(854,270)</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Total Margins</td>
<td>$6,536,415</td>
<td>$6,861,089</td>
<td>$(324,674)</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>

### Consolidated Balance Sheets

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Utility Plant Investments</td>
<td>$155,895,217</td>
<td>$148,153,930</td>
<td>$7,741,287</td>
<td>5.2%</td>
</tr>
<tr>
<td>Other Long-Term Investments</td>
<td>23,114,719</td>
<td>22,772,987</td>
<td>341,732</td>
<td>1.5%</td>
</tr>
<tr>
<td>Member Energy Efficiency Loans</td>
<td>123,645</td>
<td>212,002</td>
<td>(88,357)</td>
<td>-41.7%</td>
</tr>
<tr>
<td>Cash &amp; Temporary Investments</td>
<td>2,283,987</td>
<td>2,349,670</td>
<td>(65,683)</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Account Receivables</td>
<td>8,689,863</td>
<td>7,985,119</td>
<td>704,744</td>
<td>8.8%</td>
</tr>
<tr>
<td>Material &amp; Supply Inventories</td>
<td>2,045,907</td>
<td>1,939,277</td>
<td>106,630</td>
<td>5.5%</td>
</tr>
<tr>
<td>Other Assets &amp; Deferred Charges</td>
<td>5,004,698</td>
<td>5,372,114</td>
<td>(367,416)</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$197,157,886</td>
<td>$188,785,099</td>
<td>$8,372,787</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

#### Liabilities & Equities

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lender Long-Term Loans</td>
<td>$113,508,726</td>
<td>$110,282,628</td>
<td>$3,226,098</td>
<td>2.9%</td>
</tr>
<tr>
<td>Lender Line Of Credit Loans</td>
<td>1,513,142</td>
<td>3,011,657</td>
<td>(1,498,515)</td>
<td>-49.8%</td>
</tr>
<tr>
<td>Member Credit Deposits</td>
<td>928,638</td>
<td>865,538</td>
<td>63,100</td>
<td>7.3%</td>
</tr>
<tr>
<td>Major Storm Reserves</td>
<td>1,540,234</td>
<td>1,222,134</td>
<td>318,100</td>
<td>26.0%</td>
</tr>
<tr>
<td>Account Payables</td>
<td>5,046,024</td>
<td>4,841,768</td>
<td>204,256</td>
<td>4.2%</td>
</tr>
<tr>
<td>Other Liabilities &amp; Deferred Credits</td>
<td>7,196,558</td>
<td>5,930,895</td>
<td>1,265,663</td>
<td>21.3%</td>
</tr>
<tr>
<td>Member Equities</td>
<td>67,424,764</td>
<td>62,630,479</td>
<td>4,794,285</td>
<td>7.7%</td>
</tr>
<tr>
<td>Total Liabilities &amp; Equities</td>
<td>$197,157,886</td>
<td>$188,785,099</td>
<td>$8,372,787</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENTS OF MEMBER OWNERSHIP REWARDS & EQUITIES

### PATRONAGE CAPITAL & OTHER EQUITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>$ CHANGE</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Retirement Patronage Capital</td>
<td>$63,508,820</td>
<td>$58,922,470</td>
<td>$4,586,350</td>
<td>7.8%</td>
</tr>
<tr>
<td>Retirement Amount To Members</td>
<td>(1,812,076)</td>
<td>(1,815,616)</td>
<td>3,540</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Year-End Patronage Capital</td>
<td>$61,696,744</td>
<td>$57,106,854</td>
<td>$4,589,890</td>
<td>8.0%</td>
</tr>
<tr>
<td>Other Equities</td>
<td>5,195,435</td>
<td>4,956,545</td>
<td>238,890</td>
<td>4.8%</td>
</tr>
<tr>
<td>Patronage Capital &amp; Other Equities</td>
<td>$66,892,179</td>
<td>$62,063,399</td>
<td>$4,828,780</td>
<td>7.8%</td>
</tr>
<tr>
<td>Refundable Memberships</td>
<td>532,585</td>
<td>567,080</td>
<td>(34,495)</td>
<td>-6.1%</td>
</tr>
<tr>
<td><strong>Total Member Equity</strong></td>
<td><strong>$67,424,764</strong></td>
<td><strong>$62,630,479</strong></td>
<td><strong>$4,794,285</strong></td>
<td><strong>7.7%</strong></td>
</tr>
</tbody>
</table>

### SOURCES OF REVENUE

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>77.7%</td>
<td>76.6%</td>
</tr>
<tr>
<td>Commercial &amp; Industrial</td>
<td>15.8%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Other Revenue*</td>
<td>3.6%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Seasonal</td>
<td>1.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Street Lights &amp; Public Buildings</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,432,586</strong></td>
<td><strong>70,403,166</strong></td>
</tr>
</tbody>
</table>

*Other revenue includes non-operating margin and other revenues

### USES OF REVENUE

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Supply</td>
<td>53.1%</td>
<td>55.5%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>12.5%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Margins</td>
<td>9.4%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Interest</td>
<td>6.3%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Admin &amp; General</td>
<td>6.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Consumer Services</td>
<td>4.9%</td>
<td>4.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$69,432,586</strong></td>
<td><strong>$70,403,166</strong></td>
</tr>
</tbody>
</table>

Complete audited financial statements are available from Adams Electric Cooperative, Inc.’s headquarters. The independent audit of the 2018 and 2019 financial statements was compiled by the certified public accounting firm of Adams, Jenkins & Cheatham, Midlothian, Va.
Adams Electric Cooperative

Headquarters: 1338 Biglerville Rd., Gettysburg;
Gettysburg District: 1380 Biglerville Rd., Gettysburg;
Shippensburg District: 10 Duncan Rd., Shippensburg;
York District: 200 Trinity Rd., York

Contact Us: 1-800-726-2324  adamsec.coop

MOVING FORWARD
80 Years of Progress

Adams Electric Cooperative, Inc.
A Touchstone Energy® Cooperative
This institution is an equal opportunity provider and employer.