



# *Borough of Chambersburg*

*A full service municipality in Franklin County  
celebrating over 65 years of consumer owned natural gas service  
over 125 years of community electric and a  
regional wastewater, water, and municipal solid waste utility*

## FOR IMMEDIATE RELEASE

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### CHAMBERSBURG ELECTRIC DEPARTMENT SELLS INFRASTRUCTURE BOND

Chambersburg – On Monday, February 25, 2019, the Chambersburg Electric Department sold a \$9,315,000 capital improvements bond in order to raise resources to invest in the Borough’s public power system.

The Chambersburg Electric Department is a public power electric utility with over 125 years of experience serving its customers. According to Electric Superintendent Ronald Pezon, “Chambersburg is 1 of 35 Boroughs in Pennsylvania to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate multiple generation stations including energy purchases from a landmark landfill gas-to-energy plant in Scotland, Pennsylvania.”

Beginning in 1996 and up to 2002, wholesale power purchasing borough electric utilities like Chambersburg began participating in the wholesale electricity marketplace or “shopping” the markets. As wholesale generation system competition and markets developed into “stock markets for electricity” trading power by the minute, season, and year, the Borough observed better opportunities and therefore began to position itself to purchase multiple sources of generation from multiple suppliers in the marketplace, managed by PJM Interconnection; our regional grid operator. This was in addition to Chambersburg-owned generation.

Often said, the Chambersburg power team shops for the best priced electricity on behalf of the homes and businesses they supply. They shop for you so you don’t have to go out into the deregulated marketplace and negotiate for your own power supply from unknown or aggressive power agents. When those agents call Borough customers, those customers can say “no thank you. We get our power through the Borough of Chambersburg.”

Chambersburg started out with its own generation assets back in about 1893, supplying its own original electric street lighting, downtown commercial customers, and eventually more customers then to power the industrial revolution and the local fast-growing economy at large.

The new bond issue will provide funds for five new project areas: upgrading substations, investing in new sustainable/renewable energy projects, building a new distribution center at the Borough’s Service Center site, transmission system upgrades, and investments in expansion or enhancement of the Borough-owned generation assets; the power plants.

According to Council President Heath Talhelm, “the Electric Department seeks to invest in capital improvement projects 2019-2021 to upgrade and insure reliability of the Borough-operated public power system, in order to maintain and improve: their safety record, the overall cost of operations, the system’s incredibly reliable power delivery infrastructure, and grow for the future.”

Jeffrey Stonehill, Borough Manager and Director of Utilities added that the proper management of the Borough finances resulted in extraordinary results for the sale of this bond. According to Stonehill, “Finance Director Jason Cohen, Solicitor Bryan Salzman, Bond Counsel Laura Kurtz from Eckert Seamans, and Financial Advisor John Frey from PFM, worked together as a team, which resulted in an average interest rate of 2.433% over twenty-years; an outstanding interest rate and savings in interest expenses of upwards of \$700,000 from the original estimated cost of this borrowing.”

The Borough of Chambersburg’s bonds received a credit rating of “**Aa3**” from Moody’s Investor Services.

For more information or questions regarding the Bond Sale, please contact Jason Cohen, Director of Finance/Treasurer, at (717) 251-2412 or [jcohen@chambersburgpa.gov](mailto:jcohen@chambersburgpa.gov).

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Chambersburg is a unique community. Chambersburg supplies more services than any other municipality in the Commonwealth of Pennsylvania. In addition to typical town functions, Chambersburg is Pennsylvania’s only municipality supplying electric & gas. Chambersburg is 1 of 35 Boroughs to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate generation stations. Chambersburg is 1 of 2 municipalities in PA to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is 1 of 2,000 communities to have its own electric system and 1 of 800 communities to have a natural gas system but 1 of only about 50 to operate both. Chambersburg manages a regional water system, a regional sanitary sewer system (not through an independent Authority), and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater. Chambersburg currently has 20,360 residents (2012).