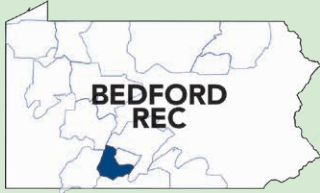


Bedford Rural Electric Cooperative

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

BEDFORD REC

P.O. Box 335
Bedford, PA 15522
814-623-5101

Email: support@bedfordrec.com
Website: www.bedfordrec.com

BOARD OF DIRECTORS

President & PREA Director

Donald E. Hoenstine
Kimmel and King Twps., Bedford County

Vice President & Allegheny Director

Ronald W. Wilkins
Napier and Harrison Twps. and
New Paris, Manns Choice and
Schellsburg Boroughs, Bedford County

Secretary

Brian I. Hoover
Monroe and West Providence Twps. and
Everett Borough, Bedford County

Treasurer

Dale R. Sprigg II
West St. Clair, Pavia, and Lincoln Twps. and
Pleasantville Borough, Bedford County

Assistant Secretary

Travis L. Wigfield
Colerain, Snake Spring and
South Woodbury Twps., Bedford County

Assistant Treasurer

Troy A. Mickle
East St. Clair Twp., Bedford County

Earl W. Garland

East Providence Twp., Bedford County,
and Brush Creek Twp., Fulton County

Reuben R. Lafferty

Juniata Twp., Bedford County, and
Allegheny Twps. and New Baltimore Borough,
Somerset County

Paul L. Rummel Jr.

Bedford and Cumberland Valley Twps.,
Bedford County

Attorney

Lois Witt Caton

OFFICE HOURS

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

Report from the Board President and General Manager & CEO

AS WE CELEBRATE BEDFORD RURAL ELECTRIC COOPERATIVE'S (REC)

87th anniversary, we want to reflect on the unique advantages of being part of a cooperative. It's also the perfect time to thank you, the members who make it all possible. For us, it's not just a celebration; it's a chance to reaffirm the values that guide everything we do.

We see purpose in action every single day. Unlike investor-owned utilities (IOUs), our cooperative doesn't exist to make profits for distant shareholders. We exist to serve you — our members, our neighbors and our communities. That purpose is what sets us apart. It's why we were created, and it's what continues to drive every decision we make.

At its core, being a cooperative means we are member-owned and locally controlled. That's not just a tagline; it's the very heart of our business model. Members have a voice in how our cooperative operates. You elect board members who live right here in our service area and understand the unique challenges and opportunities our communities face. Decisions aren't made in corporate board rooms hundreds of miles away; they're made here at home, by people who care about the same things you do.

This local accountability means we can stay focused on what matters most: delivering reliable, affordable electricity and providing real value to the people we serve.

We do that by investing in essential infrastructure upgrades and technologies that strengthen our local grid and improve electric service. We work hard to manage costs and keep rates as low as possible because we know how rising prices affect families and small businesses in our area.

When storms hit or outages occur, our crews are here and ready to respond quickly because we live here, too. They are your friends and neighbors, and you know we won't keep you in the dark while on-call crews drive in from the next county.

But our commitment doesn't end at the power lines.

Co-ops were built to meet community needs, and that purpose extends well beyond delivering electricity. Whether we're supporting local schools, sponsoring youth programs or partnering with volunteer organizations, we are always looking for ways to improve the quality of life in the places we serve. Community support isn't an afterthought; it's part of our mission.

We're also planning for the future. As electricity demand grows due to new technologies and economic development, we are working to ensure we meet those needs with a reliable, cost-effective energy mix. We know our members care about affordability and dependability, and we're committed to delivering both.

That's the power of the cooperative difference. That's what it means to be powered by purpose.

As we celebrate this anniversary, we encourage you to take pride in your cooperative membership. You're not a customer; you're a member, an owner, a stakeholder, and a vital part of a larger effort to keep our community strong, connected, and energized.

Thank you for the trust you place in us. We're proud to be your local electric cooperative.



DON HOENSTINE
PRESIDENT



BROOKS SHOEMAKER
GENERAL
MANAGER & CEO

Headquarters update

We moved into the new building in December and are settled in after four months. There have been some growing pains along the way, but most of the kinks have been worked out and the grass is coming in nicely. That is a welcome sight after a year-and-a-half of mud.

Continued on page 14B

FROM THE PRESIDENT AND GENERAL MANAGER & CEO

Continued from page 14A

The facility consists of a 12,000-square-foot office space and a 22,000-square-foot garage/shop/warehouse. The building was designed to mirror the space we occupied at our previous location, but thankfully, in a more organized fashion. Most importantly, we have traffic-light access at two locations so our trucks and pole trailers, which can be close to 90 feet long, do not have to drive across traffic like they did at our previous location. The new \$15 million facility is expected to house the cooperative for decades to come.

The numbers

We had a good year in 2025. We sold 185.8 million kilowatt-hours, which generated operating revenues of just over \$29.6 million. While overall sales were down from 2024, residential and commercial sales set a new cooperative record in 2025.

Revenue from sales was up slightly compared with last year. We finished the year with margins (our “net profit”) of \$2.19 million, which includes \$741,641 in allocated, but unrealized, margins from our wholesale power supplier, Allegheny Electric Cooperative, Inc., and other affiliated organizations.

Our annual Christmas present to our members put nearly \$1.68 million of returned capital credits back into your pockets. Since 2014, we have retired more than \$17.54 million. Over the past 43 years, your cooperative has returned \$30.37 million to the members — just one more advantage of being a cooperative member. Economic participation and regular capital credits refunds are hallmarks of the cooperative business model. The cooperative’s board demonstrates that annually and strongly believes in that philosophy.

The past 10 years of record retirements were part of our continuing equity management plan that was designed to shorten our cycle of returning capital credits. We wanted

to get the money back into the pockets of the members sooner. The board of directors anticipates that if our financial condition remains strong, a retirement of about \$1.5 million will occur in 2026.

Operationally, 2025 was a busy year for our employees. We spent our time energizing 75 new services and working on several small line rehabilitation projects. For the most part, our rehabilitation work involves replacing poles and wire from the late 1940s, ’50s and early ’60s with new poles and a conductor.

As we have re-engineered the system over the past 35 years, we have made every effort to move our lines out of your fields and off the hillsides and relocate them adjacent to the roads. That move has made it better for everyone. We can access lines easier during outages, and members no longer must navigate around them in the fields.

Finally, 2025 represented the second year of our major shift in operational focus. We are no longer rebuilding 20 or 30 miles of our system each year. We have done that work annually since the ’90s and the poles and wire of the system have been upgraded and strengthened.

Instead, we have shifted to a more technological approach. We are currently installing a new automated meter reading system, which, coupled with modern protective devices, will give us more and better diagnostics than ever before. These changes will help us serve you better.

Member-focused

Electric cooperatives are special because they are owned by the consumers they serve and are guided by a set of seven principles that reflect the best interests of those they serve. Across the country, we serve 42 million people in 48 states, power more than 22 million homes, businesses, schools, and farms, and are not-for-profit organizations that return more than \$1 billion annually to consumer-members. We are proud to be part of that network.

We have continued to work hard to deliver power to you as efficiently, affordably and transparently as possible. That does not mean our rates will never increase. Unfortunately, we have had significant increases in the last couple of years. We are not happy with these events, but the drivers of those increases remain out of our control.

Most importantly, did you know that your rates are still cheaper than the neighboring IOUs? They have been for many years. That’s right, the big guys, with hundreds of thousands of customers, can’t match your cooperative’s efficiencies. We are proud of that.

In fact, the question most frequently asked here at the office is: “How can I switch to Bedford Rural Electric?” Of course, that isn’t always possible, but folks would love to be in your shoes. Why? Because you have access to a local office where you can work one-on-one with our member service representatives to handle all your needs, including paying your electric bill, scheduling service work (often at no charge), and yes, sometimes lodging a complaint. The management, staff, and board of directors are here to answer any of your questions or concerns. We’re your electric cooperative. When members call their cooperative for service, they get a response.

We’re different. We’re working together to keep your electric bills affordable. We’re controlling costs through innovation. We’re continuing to put you, our members, first. No matter what the future brings, one thing is certain: We’re looking out for you because we are still the people you can count on! 📞

THANK YOU TO ALL MEMBERS AND GUESTS WHO ATTENDED OUR 2026 DRIVE-THRU ANNUAL MEETING

DIRECTOR ELECTION RESULTS:
▶ REUBEN LAFFERTY - DISTRICT 1
▶ TROY MICKLE - DISTRICT 5
▶ PAUL L. RUMMEL JR. - DISTRICT 6

The random door prize drawing is complete, and winners were notified by mail.

Bedford Rural Electric Cooperative, Inc. 2025 Members' Financial Report

Balance Sheet

	December 31,	
	2025	2024
ASSETS		
Net Utility Plant	\$ 57,810,831	\$ 48,107,798
Equity in Associated Organizations	16,700,808	16,442,649
Cash and Temporary Investments	528,717	1,058,462
Accounts Receivable	2,208,076	1,710,971
Materials and Supplies	1,118,494	1,193,391
Other Assets	1,210,583	751,528
TOTAL ASSETS	\$ 79,577,509	\$ 69,264,799
LIABILITIES AND EQUITIES		
Long-Term Debt	\$ 33,235,788	\$ 23,744,667
Consumer Deposits	165,578	770,826
Accounts Payable	3,621,449	3,640,719
Other Liabilities	5,773,166	4,961,367
Operating Reserves	233,707	233,707
Equities	843,906	721,758
Patronage Capital	35,703,915	35,191,755
TOTAL LIABILITIES AND EQUITIES	\$ 79,577,509	\$ 69,264,799

Statements of Revenue and Patronage Capital

	Year Ended December 31,	
	2025	2024
OPERATING REVENUES		
	\$ 29,622,554	\$ 29,248,879
OPERATING EXPENSES		
Cost of Power	\$ 18,666,982	\$ 19,903,620
Distribution - Operation and Maintenance	3,744,854	3,290,068
Customer Service and Information	902,711	857,220
Administrative and General	1,893,019	1,633,178
Taxes	18,260	17,035
Depreciation	1,724,721	1,692,063
Interest on Debt	1,235,261	997,722
TOTAL OPERATING EXPENSES	\$ 28,185,808	\$ 28,390,906
OTHER OPERATING INCOME		
G&T and Other Capital Credits	\$ 741,641	\$ 1,201,394
Net Operating Margins	\$ 2,178,387	\$ 2,059,367
Non-Operating Margins	12,830	21,289
NET MARGINS	\$ 2,191,217	\$ 2,080,656
PATRONAGE CAPITAL, Beginning of the Year	35,191,755	34,769,180
PATRONAGE CAPITAL, Before Capital Credit Retirement	37,382,972	36,849,836
CAPITAL CREDIT RETIREMENT	1,679,057	1,658,081
PATRONAGE CAPITAL, End of the Year	\$ 35,703,915	\$ 35,191,755

Buffamante Whipple Buttafaro, Professional Corporation, P.O. Box 849; Jamestown, New York 14702-0849, audited the Cooperative's accounts and records. A complete copy of their report is available for inspection at Bedford Rural Electric Cooperative, Inc.'s office in Bedford, Pa.

TREES — TOO CLOSE FOR (YOUR) COMFORT






TREES CAUSE MAJORITY OF POWER OUTAGES

Safe
Electricity.org®






WHY DOES YOUR POWER PROVIDER TRIM TREES?

Although most trees do not present a problem, some of them grow into or crowd power lines, poles or other utility equipment and cause service issues. Unruly and overgrown trees can:

-  **Cause outages.**
-  **Create fire hazards.**
-  **Break off and land on power lines.**
-  **Cause lights to flicker during high winds.**
-  **Get weighed down with ice and cause issues.**

Proper pruning techniques are used to preserve tree health, although sometimes a tree must be removed. This is a last resort, but it can be necessary if there are:

-  **Fast-growing trees directly under power lines.**
-  **Trees that are leaning into lines.**
-  **Trees that are declining, cracked or split.**

Unobstructed power lines make it easier and safer for utility crews to repair or service lines.

 **Power companies trim trees to better serve you.**

Learn more at: SafeElectricity.org



Bedford Rural
Electric Cooperative
will be
CLOSED ON
MEMORIAL DAY,
MAY 25

OUTAGE REPORTING

In case of an outage...

- 1** Check your fuses or circuit breakers.
- 2** Check with your neighbors, if convenient, to see if they have been affected by the power failure.
- 3** Call the 24-hour number, 814-623-7568, OR call 814-623-5101 during office hours.

Please have the account holder's name, phone number, physical address or account number available. Any specific information about the outage will also be helpful in pinpointing the problem.

**To report an outage, call:
814-623-7568**