

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

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Kimmel and King Twp., Bedford County

Vice President & Allegheny Director

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Travis L. Wigfield

Colerain, Snake Spring and
South Woodbury Twp., Bedford County

Attorney

Lois Witt Caton

OFFICE HOURS

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

Capital Credits and Changing Rates



**BROOKS
SHOEMAKER**

BEDFORD RURAL ELECTRIC COOPERATIVE (REC) is not like other utility providers. As a cooperative member, you are not just a consumer; you are a member and an owner. We operate the cooperative on a non-profit basis, and one benefit of that membership involves the allocation of net income — or margins — at the end of each year as patronage capital credits. They are proportionally allocated to members who received service during a particular year(s) and are based on their kilowatt-hour use.

Capital credits are held by the cooperative as equity and used to rebuild aging infrastructure, increase capacity, maintain reliability and operate the cooperative. This helps keep your rates low and your service reliable. That money is then returned or retired (paid out) to members at the board of directors' discretion. A capital credits retirement is based on a number of factors — most importantly, the cooperative's overall financial condition.

In December, Bedford REC returned \$1.7 million in capital credits to current and former members. Eligible current members received a credit on their bill, while those who have moved off our system received a capital credits check. This is the 12th consecutive year the retirement has exceeded \$1 million.

We have returned capital credits annually for more than 40 years — a figure that has totaled more than \$30.4 million. Returning capital credits to members is a practice unique to the cooperative business model and represents one of the seven cooperative principles: "members' economic participation."

The co-op's board of directors and employees take pride in providing you with the most affordable, reliable, and safe electric service possible.

Rate change

As always, our staff spent the final days and months of 2025 working on budgets and forecasts for 2026. During that process, we analyzed the operation and the anticipated cost of serving our members in the coming year.

Unfortunately, the electric industry continues to experience price increases on every level. Our primary goal is always to minimize the impact of potential rate increases while maintaining cost-effective, reliable service that you can count on every day.

We hoped that slowing inflation would ease the price escalation we have seen since 2021, but that has not been the case in this industry. Demand for industry-specific components remains high, primarily due to growth related to artificial intelligence and the increasing popularity of data centers.

As we learned in school, strong demand leads to increased prices, and as I have previously said in these pages, we have absorbed all the price increases that we are able to absorb.

Our wholesale energy supplier, Allegheny Electric Cooperative, Inc. (Allegheny), is also grappling with increased costs as PJM Interconnection, the region's transmission operator (think of PJM as an air traffic controller for electrons), sees increased demand related to data centers (which are huge energy consumers), electric vehicles and heating systems transitioning away from fossil fuels.

This spike in demand, coupled with the politically motivated retirement of older coal and natural gas plants, is causing wholesale generation prices to rise steadily. In turn, once again, we see our retail prices rise.

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Celebrating Bedford REC's New Facility

BEDFORD RURAL ELECTRIC COOPERATIVE (REC) opened its new facility at 6 Enterprise Lane in Bedford on Dec. 15. The cooperative held a ribbon-cutting ceremony for the new location in November, which was attended by co-op leaders, members, special guests and staff.



CUTTING THE RIBBON: Cooperative employees and guests gather around Bedford REC General Manager & CEO Brooks Shoemaker and board President Don Hoenstine, center, during the official ribbon-cutting ceremony at the cooperative's new facility in November.

Event speakers:



JEFF CRIST: Chairman of the Bedford County Development Association Board, who also served as the ceremony's host.



BROOKS SHOEMAKER: General Manager & CEO of Bedford Rural Electric Cooperative, Inc.



STEVE BRAME: President & CEO, Pennsylvania Rural Electric Association & Allegheny Electric Cooperative, Inc.



COLLEEN TAYLOR: Regional Vice President, National Rural Utilities Cooperative Finance Corporation



KURT SMITH: General Manager, FacTech, Inc.

Guests:



STATE REP. JESSE TOPPER: Pennsylvania Republican House Leader



JENNIFER MEARKLE: District Office Manager, U.S. Rep. John Joyce (R-13th)



GREG CRIST: Chairman, Bedford Township



KELLIE GOODMAN-SHAFFER: President/CEO, Bedford County Chamber of Commerce



OPEN FOR BUSINESS: Bedford REC members will be greeted at the new headquarters at 6 Enterprise Lane by customer service representatives who will help them in the new lobby and at the service counter.



A NEW BEGINNING: Invited guests, employees, contractors and former employees gather to hear about Bedford REC's new headquarters during a ribbon-cutting ceremony on Nov. 21.



TAKING THE TOUR: Christie Weaverling, human resources manager at Bedford REC, answers questions and guides a tour during a public open house on Nov. 24.

Bill Payment Options:

- In person at the cooperative office, 7:30 a.m. to 4 p.m. Monday-Friday, via cash, check or credit card.
- Night deposit for after-hours payments.
- By mail.
- Bank draft. Your bill will be automatically deducted from your bank account.
- In person at local branches of First National Bank and Altoona First Savings Bank.
- Over the automated phone system: Call the main office number at 814-623-5101 and choose option No. 2.
- Online: Visit bedfordrec.com and pay online using SmartHub or download the mobile app.



Bedford Rural Electric Cooperative, Inc.

A "Rochester Energy" Cooperative

With 10 substations and 1,300 miles of distribution lines, our mission is to provide safe and reliable electricity to over 9,500 Cooperative Members.

NEW LOCATION!

Address: 6 Enterprise Lane, Bedford, PA 15522
www.bedfordrec.com
 Phone: 814-623-5101 (800-808-2732)
 Hours: 7:30 a.m. – 4 p.m. (M-F)
 Emergency Outage: 814-623-7568

Project Timeline:
 01/26/23 – Kick-off
 07/12/24 – Ground-Breaking
 11/21/25 – Ribbon Cutting
 11/24/25 – Open House
 12/15/25 – Open for Business



Occupied Lincoln Highway Location since 1952

Total energy efficient LED light fixtures: 366

22,500 ft. conduit
 199,500 ft. electrical wire

Office – 12,030 sq. ft.
 Shop – 21,925 sq. ft.

45,000 ft. data cable
 1,000 ft. fiber optic cable

30,640 ft. under floor radiant heating piping

4 design teams
 23 construction companies

891 cu. yards of concrete
 10,729 sq. yards of asphalt

119 third-party visits for testing of construction integrity

329 total electrical outlets
 296 data ports

Energy efficient geothermal heating/cooling & ventilation system comprised of 40 bores at 400 ft. deep & 29 water source heat pumps

350 kW natural gas emergency generator

Over 5 acres of pollinator mix planted to create habitats supporting local ecosystems

The total cost of the project is approximately \$15 million, equivalent to about \$3.79 per month per meter. Notably, this amount did not translate into a \$3.79 monthly increase on your bill. This is due to the completion of an accelerated 30-year system-wide rebuilding initiative, after which our distribution system now required only standard, routine replacements. Consequently, infrastructure replacement funds were redirected to support the development of the new facility.

MEMBER OWNED • MEMBER PROUD since 1939

Variable Budget Billing Program

The purpose of the Budget Billing Program is to equalize monthly payments for the member's convenience. If the requirements are met, we can offer this type of service to all residential members.

The Variable Budget Billing takes the previous eleven months' KWH usage, adds the current month's KWH usage, and divides by 12 to obtain a monthly average KWH consumption. Those KWHs are then calculated using the current and applicable rate schedule. The amount is then rounded to the nearest dollar, which becomes the budget amount for that month.

In order to participate in the Variable Budget Billing Program, the member will have to meet the following requirements:

- ☆ Twelve month history on the account.
- ☆ Account must be current to begin participating.
- ☆ Budget amount must be paid by the due date, or the amount will be penalized.
- ☆ If the budget amount is not paid monthly, the account will be removed from the budget billing.

If you would like more information concerning the Variable Budget Billing Program, or would like to go on the program, please contact our office.

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**

During widespread power outages, many members call to report power failures. You may receive a busy signal, or in certain cases, your call may go unanswered. This occurs in after-hours outages when the office is not fully staffed. Please be patient and try again in a few minutes.

FROM THE GENERAL MANAGER & CEO

Continued from page 16A

Unfortunately, because of this, we have no choice but to increase our rates. The change took place Jan. 1 and will be reflected in the bill you receive in early February. For the average residential member who uses 1,000 kilowatt-hours per month, the bill will increase from \$166.74 to \$182.29, a 9.3% increase.

Meanwhile, small general service will increase by 9.49%, and general commercial service will increase by 6.83%. Outdoor lighting has also increased by \$1 to \$6 per month, depending on your light.

As always, we do our best to assign costs to the rate class that creates them, and this philosophy creates the differences in increases between classes.

The cooperative difference

At Bedford REC, members enjoy certain rights that customers of investor-owned utilities don't have.

As an example, you can choose to run for a seat on our board of directors or you can serve on one of our committees. Because each member has a vote for board candidates in the annual election, the board is composed of people who live and work in the areas we serve.

However, many people don't understand the various ways their membership in a cooperative affects their rates. Our rates are based on two main components: the actual cost of the wholesale power we buy (generation) and the cost for us to get that power to you (distribution).

Allegheny sets our wholesale power rates. Because we have a seat on its board of directors, we ensure that Allegheny works hard to keep rates low while guaranteeing a stable supply of electricity.

The distribution component includes our operational costs (such as poles, wires and substations), truck and building maintenance, labor costs and administrative costs.

One of the biggest advantages of being served by a cooperative is that we work only for you; there are no stockholders expecting a big quarterly dividend. We are a not-for-profit enterprise, which means we're working only to provide you with economical, reliable service. Our rates are simply set to provide enough money to pay our operating expenses, make debt-service payments and provide an emergency reserve.

We also collect some money for capital improvements, which is figured into your rates. These projects ensure our system is not only properly maintained, but it also delivers reliable service.

Again, any profit at the end of each year is allocated to each consumer account as patronage capital, or capital credits, and represents your investment in the cooperative and its assets. 📞

BROOKS SHOEMAKER
GENERAL MANAGER & CEO