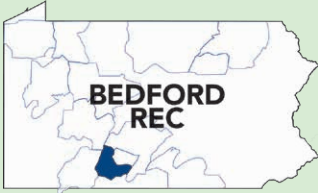


Bedford Rural Electric Cooperative

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 & Allegheny Director

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

Vice President & PREA Director

Donald E. Hoenstine
Kimmel and King Twps.

Secretary

Paul L. Rummel Jr.
Bedford and Cumberland Valley Twps.

Treasurer

Reuben R. Lafferty
Juniata Twp., Bedford County, and
Allegheny Twp., New Baltimore Borough,
Somerset County

Assistant Secretary

Earl W. Garland
East Providence Twp., Bedford County,
and Brush Creek Twp., Fulton County

Assistant Treasurer

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

Brian I. Hoover

Monroe and West Providence Twps.,
Everett Borough

Troy A. Mickle

East St. Clair Twp., Bedford County

Travis L. Wigfield

Colerain, Snake Spring and
South Woodbury Twps.

Attorney

James R. Cascio

OFFICE HOURS

Monday through Friday
7:30 a.m. - 4:00 p.m.

Board President and General Manager's Report

THIS YEAR MARKS A SIGNIFICANT milestone as Bedford Rural Electric Cooperative celebrates its 85th anniversary. Since our founding in 1939, we have remained committed to our members and communities while illuminating their lives with reliable electricity. How did we do it? Through the remarkable spirit of cooperation!

As an electric cooperative, our roots lie in the cooperative movement, a unique model that places people and their needs above profit motive. Over the years, we have grown and adapted to meet the evolving demands of our members while staying true to our cooperative values. Together, we have weathered storms, embraced technological advancements and built a sense of community.

Throughout our 85-year history, we have witnessed remarkable transformations. From the early days of bringing electricity to rural areas — when the average annual income was \$1,729, a new home cost \$3,850, and gas was 10 cents a gallon — to the implementation of computers and automation, we have embraced innovation to ensure the future of generations for years to come. Yet our mission remains the same: to provide safe, reliable and affordable power to our members.

Beyond providing electricity, we have actively contributed to the social and economic development of our communities. Through scholarships, community grants, and partnerships with local organizations, we have supported efforts, including education, public safety, solar energy, and electric vehicles to improve the quality of life for those we serve.

As we commemorate this milestone, we express our heartfelt gratitude to our dedicated members, employees and directors. It is their unwavering support that has propelled us forward, enabling us to overcome challenges and embrace opportunities. Together, we have built a legacy of cooperation, reliability and empowerment. Here's to the next 85 years of illuminating the way, together.



RON WILKINS,
PRESIDENT



BROOKS SHOEMAKER,
GENERAL MANAGER
& CEO

Headquarters update

We are moving forward with the construction of our new facility. The design work is complete. We have also obtained all of the necessary permits for the project, and it is currently out for bid. The bids should be received and reviewed in the next few weeks. Assuming the bids fall into our anticipated price range and the board approves the selected bidder, we hope to begin construction in late spring or early summer. We anticipate occupying the facility by early 2026.

The numbers

Bedford REC experienced a solid year in 2023. We sold 284 million kilowatt-hours of electricity, down slightly from 2022. However, our operating revenues increased to more than \$34 million, primarily because of higher generation rates. Overall, it was a successful year that exceeded our budgeted expectations.

Continued on page 18B

BOARD PRESIDENT AND GENERAL MANAGER'S REPORT

Continued from page 18A

Looking back on 2023, there remain some supply chain challenges. Finding and ordering equipment and supplies still does not guarantee their arrival, but it has improved. Despite the ongoing challenges, we continued modernizing decades-old equipment with new, modern technology. We finished the year with margins (our “net profit”) of more than \$2.8 million, which includes more than \$1.6 million in allocated, but unrealized, margins from our wholesale power supplier in Harrisburg, Allegheny Electric Cooperative, Inc.

Our annual Christmas present to our members returned more than \$1.5 million of capital credits to your pockets. The past decade, since 2014, has seen the largest capital credits retirements in the cooperative’s history — more than \$14 million. Over the past 42 years, your cooperative has returned \$27.1 million to the members. It’s just one more advantage of being a cooperative member. Economic participation and regular returns of capital credits are hallmarks of the cooperative business model. The cooperative’s board demonstrates that annually and strongly believes in that philosophy. The past nine years of record retirements were part of our continuing equity management plan 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 anticipates, if our financial condition remains strong, a retirement of around \$1.5 million in 2024.

Operationally, 2023 was another busy year. We spent our time energizing 65 new services and working on several small line-rehabilitation projects. This work involves replacing poles and wire from the late 1940s through the early 1960s with new poles and 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. This has improved the system for everyone. We can access lines easier during outages, and members no longer have to navigate around them in the fields.

Finally, 2023 represented a major shift in operational focus. Instead of focusing on poles and wire, which the cooperative has upgraded and strengthened systemwide each year since the 1990s, we are now taking a more technological approach. We are currently installing a new automated meter-reading system, which when 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

Times change, life changes, but your cooperative is still here for you, 24/7/365. We have one focus — looking out for you. It’s a lifestyle we have lived for 85 years!

There are no fancy commercials trying to convince you we do a good job. Instead, when something needs to be fixed or replaced, we do it. If trees are too close to the lines, we cut them. If our lines and equipment are nearing the end of life, we replace them before they cause an outage.

Speaking of outages: They happen, even though we try to avoid them at all costs. When they happen, our crews are ready to respond immediately, which means you don’t have to wait for three or four hours while we travel from the neighboring county.

We work hard every day of the year to deliver your power as efficiently, affordably and transparently as possible. The management, staff and board of directors are here to answer any of your questions or concerns. Have a question? Give us a call. Real people are available during regular business hours to help.

We’re your electric cooperative. We are the people you can count on! 📞

THANK YOU TO ALL MEMBERS AND GUESTS WHO
ATTENDED THE 2024 DRIVE-THRU ANNUAL MEETING

DIRECTOR ELECTION RESULTS:

- ▶ RON WILKINS – DISTRICT 2
- ▶ DON HOENSTINE – DISTRICT 4
- ▶ BRIAN HOOVER – DISTRICT 8

The random door prize drawing is complete.
Winners will be notified by mail.



NEW HEADQUARTERS: Plans for the new facility are underway. Construction will begin soon with a completion date in early 2026.

Bedford Rural Electric Cooperative, Inc. 2023 Members' Financial Report

Balance Sheet

	Year Ended December 31,	
	2023	2022
ASSETS		
Net Utility Plant	\$ 42,606,639	\$ 42,358,477
Equity in Associated Organizations	15,670,806	14,274,028
Cash and Temporary Investments	311,730	551,613
Accounts Receivable	1,824,334	1,672,810
Materials and Supplies	1,251,356	1,217,463
Other Assets	1,616,158	1,344,660
TOTAL ASSETS	\$ 63,281,023	\$ 61,419,051
LIABILITIES AND EQUITIES		
Long-Term Debt	\$ 20,196,546	\$ 17,545,830
Consumer Deposits	615,301	755,882
Accounts Payable	2,385,048	2,095,579
Other Liabilities	4,265,228	6,428,563
Operating Reserves	233,707	233,707
Equities	816,013	843,739
Patronage Capital	34,769,180	33,515,751
TOTAL LIABILITIES AND EQUITIES	\$ 63,281,023	\$ 61,419,051

Statements of Revenue and Patronage Capital

	Year Ended December 31,	
	2023	2022
OPERATING REVENUES	\$ 34,010,192	\$ 28,019,812
OPERATING EXPENSES		
Cost of Power	\$ 24,544,197	\$ 18,931,579
Distribution - Operation and Maintenance	3,381,507	3,325,802
Customer Service and Information	834,421	768,747
Administrative and General	1,644,145	1,639,839
Taxes	15,862	16,382
Depreciation	1,590,311	1,537,120
Interest on Debt	908,433	542,694
TOTAL OPERATING EXPENSES	\$ 32,918,876	\$ 26,762,163
OTHER OPERATING INCOME		
G&T and Other Capital Credits	\$ 1,737,555	\$ 2,253,705
Net Operating Margins	\$ 2,828,871	\$ 3,511,354
Non-Operating Margins	11,306	24,253
NET MARGINS	\$ 2,840,177	\$ 3,535,607
PATRONAGE CAPITAL, Beginning of the Year	33,515,751	31,513,704
PATRONAGE CAPITAL, Before Capital Credit Retirement	36,355,928	35,049,311
CAPITAL CREDIT RETIREMENT	1,586,748	1,533,560
PATRONAGE CAPITAL, End of the Year	\$ 34,769,180	\$ 33,515,751

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.

WHY IS MY POWER OUT?

A storm or a squirrel may be to blame



When the power goes out, we work hard to resume service as quickly and safely as possible.

Here are some common reasons the power goes out:



STORMS:

Mother Nature can interfere with power delivery.



TREES AND VEGETATION:

This is why we work so hard to keep power lines clear.



ANIMALS:

Curious animals can cause damage, especially squirrels.



ACCIDENTS: Run-ins with a utility pole or other equipment can cause an outage.



PUBLIC DAMAGE: Unsafe digging, equipment or line damage, vandalism or theft can all interfere.



OVERLOAD: This happens when demand spikes, like on a hot summer day.



EQUIPMENT ISSUES: We maintain and inspect equipment regularly, but sometimes malfunctions occur.

Thank you for your patience during outages.

Bedford Rural
Electric Cooperative
will be

**CLOSED ON
MEMORIAL DAY
MAY 27, 2024**

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 800-808-2732* during office hours.

**(Please help us save money – only use this number if toll charges apply.)*

Please give the person receiving the call your name as it appears on your bill, your telephone number and your map number, if known. 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 are calling 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.