

# 2025 ANNUAL REPORT



VALLEY RURAL ELECTRIC COOPERATIVE, INC.

# Executive Report

Providing safe, affordable and reliable electric service remains the top priority of Valley Rural Electric Cooperative, just as it has been for the past 87 years. The co-op's board of directors and employee team are committed to this purpose even as we navigate through a very volatile time in the electric utility industry.

We're pleased to report that the co-op is on sound financial footing. At the end of 2025, equity, or member ownership of the organization, was at 51.8 percent of assets, which is in line with our equity management plan. We returned more than \$2.4 million in patronage capital to eligible members and former members in December 2025, which follows the December 2024 return of \$2.6 million. Over the years, we have returned nearly \$43.5 million in patronage capital.

The co-op's largest outlay is to Allegheny Electric Cooperative for the purchase of electricity. Valley REC and its 12 sister cooperatives in Pennsylvania, and one in New Jersey, own approximately 65 percent of our energy supply through Allegheny Electric Cooperative, Harrisburg. The remaining 35 percent must be purchased on the open market where prices are much more volatile.

In 2025 the co-op spent more than \$25 million for power, about 56 percent of the 2025 budget. Due to dramatic increases in wholesale power costs (which include generation and transmission costs as well as capacity charges), the board of directors approved in summer 2025 an increase of one cent per kilowatt-hour. To keep pace with continued rising generation and transmission costs, passed on to us from Allegheny, Valley's board approved an additional 1.05-cent increase in February 2026. This is a true pass-through, from Allegheny to our members.

Increasing demand, driven largely by data centers and electrification of vehicles, and lessening supply, due to the closing of coal and nuclear plants and older natural gas plants, have caused an imbalance which makes wholesale electricity costs volatile and expensive. In the PJM Interconnection, the grid that serves consumers in the Mid-Atlantic region, capacity charges (the premium paid for the total amount of electricity our system might use during a peak period) jumped by more than 800 percent in the 2025-26 delivery period. That was followed by an additional 22 percent increase in the most recent auction.

We continue to ask our members to lend a hand in stabilizing future wholesale power costs by shifting summertime use to early mornings and evenings and participating in our demand response program. If you're already enrolled in the program, thank you. If not, please take a moment to review the load management information on the next page or contact the co-op.

In 2025 we continued work to improve system reliability and power quality. We rebuilt the 46kV delivery point at the Puzzletown substation in western Blair County. The project entailed replacing an aging substation recloser with a newer, more advanced breaker. The substation project was Valley's sixth substation project since 2016 and followed the 2024 construction of a new Three Springs substation, in southern Huntingdon County, replacing the final 1950s-era substation still in operation on our system which includes 23 subs. Also in 2025, we wrapped up a multi-year sectionalizing effort. The installation of additional cut-out fuses and reclosers isolates faults and limits the number of members impacted by any one outage.

The co-op's operations personnel will continue work across the system to replace aging aluminum-steel wire with all aluminum wire which is more corrosion resistant. Replacement of deteriorating poles identified during inspection will be ongoing as well.

Additionally, we are continuing our aggressive approach to vegetation management. In 2025 we trimmed 457 miles of rights-of-way. Our approach ensures our rights-of-way are trimmed entirely in a five-year time span to lessen the likelihood of tree-related outages. We believe right-of-way clearing has been a major contributor to our reliability statistics. Last year we averaged 1.5 outage per member. We're pretty proud of that considering the terrain we serve.

Following the co-op principle of Cooperation Among Cooperatives, we sent a four-man construction crew to sister co-op REA in mid-March 2025 after a storm left thousands without power in Indiana County. Following the co-op principles of Continuing Education and Concern for Community, we continue to offer safety and energy efficiency presentations to schools and civic groups. We invite you to contact the co-op for more information on these programs.

And we invite you to contact the co-op with any general questions you might have. Be assured, the dedicated employees and board members of Valley Rural Electric Cooperative are working diligently to improve efficiency and control costs to provide you with safe, affordable and reliable power.



**JAMES R. STAUFFER**  
Chairman of the Board



**RICHARD S. BAUER**  
President & CEO

*Front cover photo:  
Spring green begins to appear  
behind the stunning red, black  
and white of a barn in Belfast  
Township, Fulton County.*

*James R. Stauffer*

*Richard S. Bauer*

# Products, Programs and Services

## Load Management

Co-op members who participate in the demand response program help lessen the impact of volatile wholesale market pricing. More than 5,500 Valley REC members are already on this program in which a remotely operable switch is installed on the electric supply line of their storage tank water heater. Temporarily shutting off water heaters during periods of peak demand helps lessen future generation costs to the co-op.



Participants receive a \$100 bill credit and are also eligible for rebates on the purchase of new water heaters.

If you're already participating, we'd like to say thank you for doing your part over the years. If you're not on the program, please consider joining. Control periods should not inconvenience you, and you'll be helping to keep our costs in check as much as possible.

## Community Service Grant Program

Valley Rural Electric Cooperative debuted its Community Service Grant Program at the 2015 annual meeting and has since awarded more than \$350,000 in funding. This initiative offers grants to co-op members experiencing financial hardship, to service organizations such as fire and ambulance companies and to educators who need support materials to teach blocks of instruction related to electricity or the cooperative business model.

Individuals or groups filling out applications will select one of three categories: energy assistance, education or civic/community programs. Grants of \$500 to \$1,000 are available.

The initiative is funded through unclaimed capital credits – margins that can't be returned to members and former members due to death or relocation.



## Scholarships



Valley REC awards up to 35 \$1,000 scholarships each year to eligible students who apply for the Brighter Future Scholarship Program. High school seniors who are dependents of co-op members and are either enrolled in public, private or cyber school or are home schooled are welcome to apply. This initiative is funded by unclaimed capital credits refunds that previously had to be turned over to the state treasury. Thanks to the efforts of the co-op's political advocates, these funds can now be kept in our local communities. The Pennsylvania Rural Electric Association offers two different scholarship programs as well.

## Safety and Education Programs

Valley REC offers education programs to students and civic groups within the co-op's service territory. Presentations focus on electrical safety, energy efficiency and co-op careers. For more information contact our Member Services department.



## Co-op Connections Card

Valley REC members can take advantage of the Co-op Connections Card program. The card offers discounts from businesses in our communities and across the country. Discounts of 10-85 percent are available on prescriptions at participating pharmacies. The average discount for our members is 50 percent. Show the card and save the next time you're shopping. For a full list of participating businesses, go online and visit valleyrec.com.



## SmartHub

Valley REC offers the SmartHub® online payment service, which allows members to sign up for electric service, access account history and pay electric bills online. Members can use the service to have the amount of their monthly electric bills deducted automatically from a checking or savings account or credit card. SmartHub also enables members to receive alerts using their mobile devices. Click or tap the "View & Pay Bill - SmartHub" tab on the website. Members may also pay by phone (using a credit/debit card or check) and at co-op offices.



# 2025 Financial Report

Statement of operations		2025	2024
<b>Income</b>			
Operating Revenue		47,687,831	43,159,367
Interest Income		52,544	51,713
Other non-operating income		1,966,128	2,257,802
<b>TOTAL INCOME</b>		<b>49,706,503</b>	<b>45,468,881</b>
<b>Expenses</b>			
Cost of Power Purchased		25,850,143	22,064,396
Operations & Maintenance		7,051,879	6,930,804
Member Acct. & Service		1,560,052	1,496,089
Administrative & General		5,384,356	4,957,924
Depreciation & Amortization		4,771,364	4,620,341
Taxes		73,808	71,234
Interest Expense		1,775,124	1,740,227
Other Deductions		103,002	104,035
<b>TOTAL EXPENSES</b>		<b>46,569,728</b>	<b>41,985,050</b>
<b>NET MARGINS</b>		<b>3,136,775</b>	<b>3,483,832</b>
<b>Balance Sheet</b>			
<b>Assets</b>		<b>2025</b>	<b>2024</b>
Electric plant (less depreciation)		80,757,709	80,674,875
Investments		18,386,395	17,163,370
General Fund Cash & Working Capital		478,587	773,477
Accounts Receivable		5,342,538	5,064,578
Materials & Supplies		908,065	763,831
Payments made in advance		37,668	36,442
Other current & deferred assets		1,677,734	1,916,136
<b>TOTAL ASSETS</b>		<b>107,588,696</b>	<b>106,392,709</b>
<b>Equities</b>			
Patronage Capital and Margins		23,830,258	25,453,194
Other equities		31,661,527	29,771,690
<b>TOTAL EQUITIES</b>		<b>55,491,785</b>	<b>55,224,884</b>
<b>Liabilities</b>			
Long-Term Debt		37,777,657	40,124,673
Notes Payable		3,500,000	0
Accounts Payable		2,721,044	2,155,139
Member Deposit		515,230	515,245
Other Liabilities		6,066,696	5,397,859
Deferred Credits and Regulatory Liabilities		1,516,284	2,974,909
<b>TOTAL LIABILITIES</b>		<b>52,096,911</b>	<b>51,167,825</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>		<b>107,588,696</b>	<b>106,392,709</b>

# 2025 Statistics

Kilowatt-hours Sold  
**297,211,988**

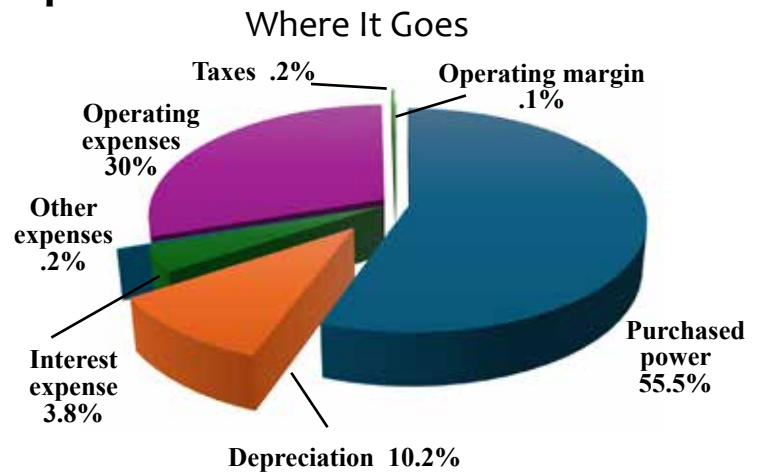
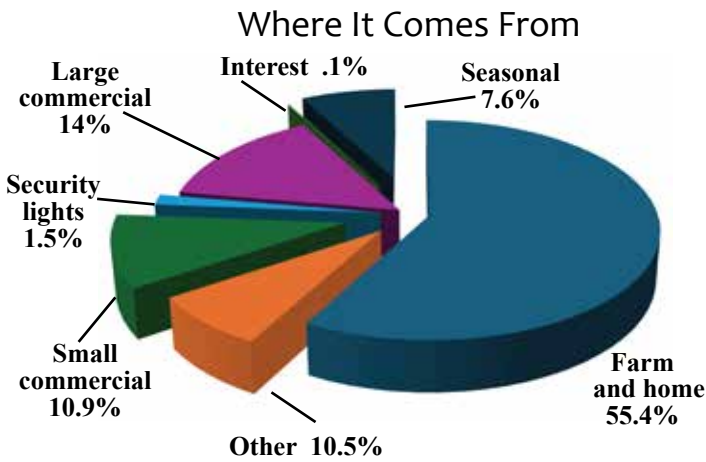
Miles of Line  
**2,784**

Utility Plant Value  
**\$138,673,743**

Accounts Served  
**22,740**

Valley REC territory is filled with tranquil settings such as this farm pond in Spruce Hill Township, Juniata County.

## The Co-op Dollar



**Electrical services**  
**Transfer switches**  
**Water heaters**  
**Generator sales**  
**& service**

Valley Rural Electric Cooperative's suite of energy services can help you save energy and make your home more comfortable.



# 2026 Board Candidates

Randy Huntsman works as an animal nutritionist with Renaissance Nutrition in Roaring Spring. Additionally, he is employed as a crops manager by Kulp Family Dairy, LLC in Martinsburg and as the bookkeeper for Hilecrest Farm, LLC in Sinking Valley.

A 1977 Central High School graduate, Randy and his family operated a dairy farm, PA Fair Valley Farms, for over 30 years. He also served on the North Woodbury Board of Supervisors for 24 years, many of which as a board chairman.

Randy has a wealth of co-op experience. He is or has been a member of the following cooperatives: Land O'Lakes, Pennsylvania Farm Bureau, Select Sire Power, Ag Choice Farm Credit and Bedford Farm Bureau.

He has also served on various boards of directors, including the boards of Blair County Farm Bureau, Blair County Holstein Club, Blair County DHIA and the Professional Dairy Managers of Pennsylvania.

Randy and his wife, Karen, are members of Martinsburg Grace Brethern Church where they both serve as deacons, and Randy as an elder.

In his free time, Randy enjoys touring the country on a Harley, hunting and spending time with his family. He and Karen are the parents of two sons and a daughter, and they are Mimi and Pap Pap to four granddaughters and three grandsons.

Randy is 66 years old. He has been a Valley member since 2007 and has served on the Valley REC board since July 2016. Randy has earned his Director Gold Credential from NRECA for completing the required continuing education credits. Randy is running unopposed on the ballot for District 1.



**DISTRICT 1**  
**Randy Huntsman**  
194 Fair Valley Road  
Martinsburg, PA 16662

A 64-year-old native of Hesston, Huntingdon County, Kevin States works on his family's 200-acre farm and rents another 200 acres of crop land and feeds 120 head of young stock. The operation utilizes the services of Bedford Farm Bureau Cooperative in addition to Valley Rural Electric.

Kevin is a 1979 graduate of Huntingdon Area High School. He is a past member of the National Holstein Association and a member of the Pennsylvania Farm Bureau. He was formerly involved with the Huntingdon County 4-H dairy and beef clubs and was a member of the Rural Electric Youth Tour delegation in 1978.

The States farm has received electric service from Valley REC since 1952; Kevin has been a member of the cooperative since 1982. He has served on the co-op's board of directors since 1999 and has held positions of vice chairman and secretary. He has previously attained the Gold Level director certification, the highest level of training for electric co-op directors.

Kevin has one son, one daughter, five grandsons and four granddaughters. In his free time, he follows NASCAR racing and enjoys going to local dirt track races. His name will appear on the ballot for District 3.



**DISTRICT 3**  
**Kevin States**  
12817 Redstone Ridge Road  
Hesston, PA 16647

Todd Gates, 64, of Saxton, has worked for Martin Water Conditioning, Altoona, since 2008 in home water treatment sales. From 1990 to 2008, he was sales manager of the bottled water and water treatment divisions of Roaring Spring Water.

A 1979 graduate of Tussey Mountain High School, Todd has held a residential water treatment certification from Water Quality Association since the early 1990s. He is a 1996 graduate of the Blair County Chamber of Commerce's Leadership Blair County program. Todd served for eight years on the board of directors of Blair County Convention and Visitor Bureau, including during the planning and construction of the Blair County Convention Center and the Altoona Curve's ballpark PNG (Peoples Natural Gas) Field.

Todd served for 10 years on the Blair-Bedford Builders Association's home show committee, and he served six years on the home show committee of the Builders Association of Central PA, in Centre County.

Todd is head coach of the Tussey Mountain High School girls basketball team, a position he has held since 2005. He has accumulated more than 300 wins and four district championships. He is also an inaugural member of the Phil Speck Scholarship Committee, named for the longtime Southern Huntingdon County High School coach. Todd has served as treasurer of New Hope Baptist Church in Broad Top since 2016.

Todd and his wife, Wendy, have been married since 1993. They are the parents of three daughters and have three grandsons and three granddaughters. In his free time, Todd enjoys trout fishing and going to dirt track races. Todd has been a Valley REC member since 1995. His name will appear on the ballot for District 3.



**DISTRICT 3**  
**Todd Gates**  
20238 Little Valley Road  
Saxton, PA 16678

Ken Soder worked for Patton Township since July of 1999. He started as the Centre County township's zoning officer and retired in 2024 as the public works director.

Ken and his wife, Kathy, started the K BAR K Farm in 1997 in the Bald Eagle Valley area with 14 Dorset ewes purchased from a lady getting out of the sheep business. They moved to West Township in Huntingdon County in 2002 to accommodate their growing sheep flock.

Since his retirement from the township, Ken has become a member of the Shavers Creek Volunteer Fire Company and has joined the Twin Creeks Ambulance Service as an emergency medical technician.

Ken is a 1979 graduate of State College High School. He obtained his bachelor's degree from Penn State's College of Agricultural Engineering in Agricultural Mechanization in 1989.

He has been married to Kathy since 1991. They are the parents of Nathan Soder who was born in 2003 and is currently enrolled at Penn State studying criminology. Ken is an active member of the Petersburg Bethel Presbyterian Church. He has served as an elder and is currently serving as a trustee. Ken has been a Valley member since 2002. In his spare time, Ken is a Shavers Creek 4-H leader involved with sport fishing and woodworking. Ken is running unopposed on the ballot for District 5.



**DISTRICT 5**  
**Ken Soder**  
5867 Eberle Road  
Petersburg, PA 16669

# Valley REC Employees

## Corporate

Jenna Bauer  
 John Bookwalter Jr.  
 Terri Brumbaugh  
 Stephen Bruno  
 Lisa Carper  
 Zander Cowan  
 Ethan DeVore  
 Jeff Dishong  
 Danielle Estep  
 Ben Gorman  
 Max Hetrick  
 Jamie Jones  
 Travis Kuhstos  
 Travis McNerlin  
 Elizabeth Morocco  
 Rikki Moyer  
 Joe Parks  
 Doug Roles  
 Todd Ross  
 Melissa Shetrom  
 Lindsey Weikert

## Huntingdon District

Matt Andraši  
 Adam Atherton  
 Billy Ayers  
 Justin Berrier  
 Kyler Bingaman  
 Kevin Detwiler  
 Greg Diehl  
 Seth Glover  
 Josh Gutshall  
 Steve Gutshall  
 Alicia Henchey  
 Eric Henchey  
 Stephen Jefferis  
 Chris Myers  
 Gina Norris  
 Richard Sunderland  
 Brook Thompson  
 James Vaughn  
 Owen Winter  
 Eric Yingling

## Shade Gap District

Nathan Berry  
 Logan Booher  
 Brandon Clemens  
 Matt Fish  
 Tricia Long  
 Riley Price  
 Jacqueline Runk  
 Blayne Sager  
 Jonathan Shields  
 Curtis Starr  
 Curt Wilson  
 Jason Wilson

# Directors

James Stauffer  
 Chairman  
 Allegheny Director

Kevin States  
 Joanne Whitsel

Leroy Barnes  
 Vice Chairman  
 PREA Director

Kenneth Soder  
 Linda McMath

Cindy Bigelow  
 Secretary

Greg Henry

Randall Huntsman  
 Treasurer

Rich Bauer  
 President & CEO

## Martinsburg District

Cody Acord  
 Logan Bisbing  
 Bill Bogel  
 Dane Diehl  
 Greg Dilling  
 Ethan Dodson  
 Ryan Dodson  
 Jason Hey  
 Mike Lansberry  
 Kathy Luprek  
 Bruce Perow  
 Brooke Stonerook



## The Seven Cooperative Principles

Democratic member control

Member economic participation

Concern for community

Autonomy and independence


Continuing education

Voluntary and open membership

Cooperation among cooperatives



# Valley Rural Electric Cooperative, Inc.

® Your Touchstone Energy® Cooperative 

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Huntingdon, PA 16652-0477  
814-643-2650  
Toll-free 800-432-0680  
Fax 814-643-1678

**Corporate Office**  
10700 Fairgrounds Road  
Huntingdon, PA 16652

**Huntingdon District**  
10787 Station Road  
Huntingdon, PA 16652

**Martinsburg District**  
2585 Cove Mountain Road  
Martinsburg, PA 16662

**Shade Gap District**  
22140 Croghan Pike  
Shade Gap, PA 17255



Line workers from each of Valley REC's three service districts participate in live-line on-the-job training in Greenfield Township, Blair County.

Valley Rural Electric Cooperative, Huntingdon, was set in motion by a group of determined farmers around Martinsburg in southeastern Blair County. The cooperative was incorporated on Nov. 1, 1938 and received its first loan in March 1939. Under the first manager, Floyd Bush, the first 250 miles of line were built, and a substation was constructed at Williamsburg. Lines were first energized on Nov. 17, 1939.

**Learn more about your member-owned co-op**

[www.valleyrec.com](http://www.valleyrec.com)