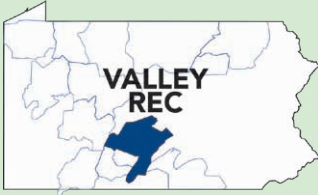


# Valley Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives  
serving Pennsylvania and New Jersey

## VALLEY RURAL ELECTRIC COOPERATIVE, INC.

10700 Fairgrounds Road  
P.O. Box 477  
Huntingdon, PA 16652-0477  
814-643-2650  
1-800-432-0680  
www.valleyrec.com

### BOARD OF DIRECTORS

**James Stauffer**  
Chairman  
Allegheny Director

**Leroy Barnes**  
Vice Chairman  
PREA Director

**Cindy Bigelow**  
Secretary

**Randall Huntsman**  
Treasurer

**Gregory Henry**  
**Linda McMath**  
**Kenneth Soder**  
**Kevin States**  
**Joanne Whitsel**

**Corporate Office Hours**  
Monday - Thursday  
7 a.m. - 5:30 p.m.

**Huntingdon/Martinsburg/Shade Gap**

**Office Hours**  
Monday - Thursday  
7 a.m. - 5:30 p.m.

**Outages & Emergencies**  
1-800-432-0680

# COOPERATIVE CONNECTION

## Executive Report

**ON BEHALF OF THE BOARD OF DIRECTORS** and employees of Valley Rural Electric Cooperative (REC), it's our pleasure to report on the status of your electric distribution business. We hope you find this annual report informative and see that your cooperative remains ready to provide safe, affordable and reliable power to our consumers.

The cooperative continues to be on sound financial footing. At the end of 2024, equity — or member ownership of the organization — was at 51.9% of assets, which is in line with our equity management plan. We returned more than \$2.6 million in patronage capital to eligible members and former members in December 2024, which follows the December 2023 return of \$2.3 million. Over the years, we have returned nearly \$41 million in patronage capital.

The co-op's largest outlay is to Allegheny Electric Cooperative, Inc. for the purchase of electricity. In 2024, the co-op spent more than \$22 million on energy, about 51% of that year's budget. Valley REC was in the fortunate position of not having to implement a rate adjustment for 2024, and rates remained unchanged going into 2025.

Valley REC and its 12 sister cooperatives in Pennsylvania, and one in New Jersey, own approximately 67% of our energy supply. The remaining 33% must be purchased on the open market, where prices are much more volatile. We continue to ask our members to lend a hand in stabilizing future wholesale power costs by shifting summertime energy 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 call us at 814-643-2650 to learn more about the program.

Improving system reliability and power quality is an ongoing process at the cooperative. In 2024, Valley REC built a new Three Springs substation at the site of the previous facility. This effort marked our fifth substation construction project since 2016 and the replacement of the final 1950s-era structure still in operation among our 23 substations. Moving forward, we will be rebuilding the 46-kilovolt delivery point at the Puzzletown substation in western Blair County. We'll be replacing an aging substation recloser with a newer, more advanced breaker. Additionally, the co-op's operations personnel will continue replacing aging aluminum-steel wire with all-aluminum wire, which is more resistant to corrosion. Deteriorating poles, identified during inspection, will be replaced as well.

We are also continuing our aggressive approach to vegetation management. In 2024, we trimmed 448 miles of rights of way. This approach ensures rights of way are trimmed entirely every five years to lessen the likelihood of tree-related outages. We believe this systematic right-of-way clearing has improved our reliability statistics. In 2024, we averaged one outage per year per member. Considering the terrain we serve, we're proud of that.

Following the co-op principle of "cooperation among cooperatives," we sent four of our lineworkers to North Carolina in October to help restore power after devastating hurricanes in the South. We also sent a crew to a sister Pennsylvania co-op, Claverack REC, to help restore power after a severe July thunderstorm.

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 with any general questions you might have.

Be assured, the dedicated employees and board members of Valley REC are working diligently to improve efficiency and control costs. Providing safe, affordable and reliable power has been our mission since 1938. We look forward to building on that legacy. 



**JAMES R. STAUFFER**  
CHAIRMAN OF  
THE BOARD



**RICH BAUER**  
PRESIDENT & CEO

*James R. Stauffer*

*Rich Bauer*

# 2024 Financial Report

## Statement of Operations

**2024**
**2023**

### Income

Operating Revenue	43,159,367	42,628,182
Interest Income	51,713	51,863
Other Non-operating Income	2,257,802	2,304,398
<b>TOTAL INCOME</b>	<b>45,468,881</b>	<b>44,984,442</b>

### Expenses

Cost of Power Purchased	22,064,396	22,373,112
Operations & Maintenance	6,930,804	6,611,582
Member Acct. & Service	1,496,089	1,348,086
Administrative & General	4,957,924	4,276,340
Depreciation & Amortization	4,620,341	4,453,114
Taxes	71,234	67,646
Interest Expense	1,740,227	1,625,084
Other Deductions	104,035	104,043
<b>TOTAL EXPENSES</b>	<b>41,985,050</b>	<b>40,859,008</b>
<b>NET MARGINS</b>	<b>3,483,832</b>	<b>4,125,434</b>

## Balance Sheet

**2024**
**2023**

### Assets

Electric Plant (less depreciation)	80,674,875	79,059,699
Investments	17,163,370	16,557,679
General Fund Cash & Working Capital	773,477	754,266
Accounts Receivable	5,064,578	3,933,279
Materials & Supplies	763,831	807,870
Payments Made in Advance	36,442	35,687
Other Current & Deferred Assets	1,916,136	2,171,882
<b>TOTAL ASSETS</b>	<b>106,392,709</b>	<b>103,320,362</b>

### Equities

Patronage Capital & Margins	25,453,194	27,012,018
Other Equities	29,771,689	26,767,090
<b>TOTAL EQUITIES</b>	<b>55,224,884</b>	<b>53,779,108</b>

### Liabilities

Long-term Debt	40,124,673	35,872,319
Notes Payable	0	2,300,000
Accounts Payable	2,155,139	2,195,960
Member Deposit	515,245	512,415
Other Current & Accrued Liabilities	5,397,859	5,095,477
Deferred Credits & Regulatory Liabilities	2,974,909	3,565,084
<b>TOTAL LIABILITIES</b>	<b>51,167,825</b>	<b>49,541,254</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>106,392,709</b>	<b>103,320,362</b>



# 2024 Statistics

Miles of Line  
**2,780**

Accounts Served  
**22,676**

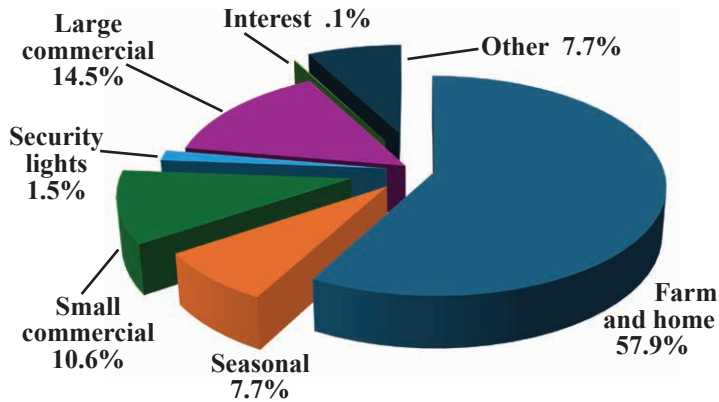
Utility Plant Value  
**\$134,691,558**

Kilowatt-hours Sold  
**285,954,817**

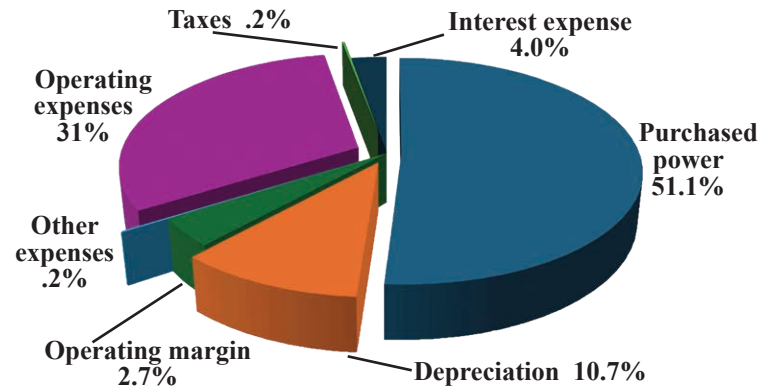
Horses graze near a Valley Rural Electric Cooperative pole in Wayne Township, Mifflin County.

## The Co-op Dollar

### Where It Comes From



### Where It Goes



**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.





# Valley REC Members Re-elect Three Directors at 2025 Annual Meeting

**DOUG ROLES**, VICE PRESIDENT, MEMBER SERVICES

**VALLEY RURAL ELECTRIC** Cooperative (REC) members re-elected incumbents to the co-op's nine-member board of directors during the annual meeting Friday, April 4. The meeting again followed a drive-thru format from 4 to 7 p.m. at the Huntingdon County Fairgrounds. This year's event drew 1,927 memberships.

Each year, three seats on the co-op's board are open for election. Members elect directors to three-year terms through an at-large election, meaning members from all of the co-op's nine director districts cast ballots at the annual meeting to fill the three open seats. This year, seats were open in Districts 7, 8 and 9.

There were no contested races. Therefore, the following directors will continue to serve on the board: Greg Henry of Hustontown, Fulton County, from District 7; Linda McMath of Shade Gap, Huntingdon County, from District 8; and Cindy Bigelow of Williamsburg, Blair County, from District 9.

Members who attend the co-op's district meetings each February nominate the candidates whose names appear on the annual meeting ballot each April. In 2021 and 2022, district nominating meetings were not held due to COVID-19. Instead, members interested in running for a board seat were required to submit signature forms to have their name placed on the ballot. The co-op returned to its traditional, in-person dinner nominating meeting format in 2023.

Like many cooperatives, Valley REC had for many years held its annual meeting at a high school auditorium. The pandemic forced co-ops across the country to find other

## THREE INCUMBENT BOARD MEMBERS RE-ELECTED

DISTRICT 7



**GREGORY M. HENRY**  
599 Plum Hollow Road  
Hustontown, PA 17229

DISTRICT 8



**LINDA J. MCMATH**  
12007 Sawmill Road  
Shade Gap, PA 17255

DISTRICT 9



**CINDY D. BIGELOW**  
2548 William Penn Highway  
Williamsburg, PA 16693

formats for their member meetings, with some moving to a drive-thru format and others adopting web-based meetings. Valley REC moved to its drive-thru format in 2021 following the cancellation of the 2020 annual meeting.

"We've seen a very positive response to the drive-thru format," says Valley REC President & CEO Rich Bauer. "Many more of our members are able to participate this way and exercise the cooperative principle of 'democratic member control.'"

One change for this year's event was that traffic entered the fairgrounds at the east and west ends of the property. In previous years, all traffic entered at the grandstand (east) entrance.

The co-op's corporate headquarters is located across the road from the fairgrounds. Nearly all co-op employees from that office and Valley REC's three district offices were on hand to direct traffic, register members, distribute ballots and hand out a free gift. Members who attended will receive a \$25 bill credit. 📄



**PARADE OF MEMBERS:** At left, Valley Rural Electric Cooperative (REC) members drive through the registration tent at the east end of the Huntingdon County Fairgrounds. At right, Ben Gorman, Valley REC's vice president of technical services and administration, center, hands a ballot to co-op member David Ehgartner of Duncansville as Brook Thompson, right, manager of stores/purchasing agent, prepares to greet the next arrival at the west end of the fairgrounds.