

Somerset Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

SOMERSET REC

223 Industrial Park Road
Somerset, PA 15501
814-445-4106
800-443-4255

Email: e-mail@somersetrec.com
Website: www.somersetrec.com

BOARD OF DIRECTORS

President

Jerry L. Engle, District 4

Vice President

Floyd T. Lehman, District 1

Secretary/Treasurer

Lowell L. Friedline, District 3

Russ Hillegas, District 2

James B. Harrold Sr., District 5

P. Timothy Vought, District 6

Jason Huston, District 7

Joshua C. Sechler, District 8

Harvey W. Reckner Jr., District 9

**Ruston Ogburn
General Manager**

STAFF

Gary Gindlesperger
Manager of Information Technology

Jonathan Hillegas
Director of Finances

Andrew Phillippi
Manager of Outside Operations

Emily Baer
Director of Marketing & Member Services

Phil Stern
Manager of Technical Services

Jessi Ditzler
Executive Assistant

OFFICE HOURS

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

EMERGENCY OUTAGE NUMBERS

814-445-4106
800-443-4255

Guest Column

Your Voice is Power – Use It



EMILY BAER

LAST MONTH, SOME OF YOU — though not as many as one might hope — went to the polls to take part in one of democracy's most fundamental rights: the right to vote.

For some, this action was routine and done without much reflection. Unless you are directly involved in politics, voting can feel like just another task to check off. And yet, its importance runs far deeper than that.

One recent morning in the school drop-off line, I was behind a car with words on the rear window that read: "They gave their tomorrows for our todays."

On my drive to work, I thought about those words and what they meant to me.

After a quick Google search, I found the phrase is attributed to John Maxwell Edmonds, whose original words during World War I were: "For their tomorrow, we gave our today."

If we pause to reflect on our history, many of us can likely recall a family member or someone we know who sacrificed greatly — perhaps even gave their life — to protect our freedoms. In my own family, there are great uncles who I never met because they were lost in war, while others who served and are currently serving in the military have been fortunate enough to return home safely.

You are a consumer-member of this organization, and staying engaged with the cooperative ensures your voices are heard. You make decisions today for other members' tomorrows. If your home, business, cabin, lake house, ski house, hunting club, church, or anything in between is served by Somerset Rural Electric Cooperative (REC), you have a voice in electing the board of directors and shaping the leadership and policies that guide this cooperative, much like the leadership and policies that shaped our country 250 years ago.

Consider how rare this is. How many other businesses give you a voice in leadership decisions? Where else can you influence policies and take part in governing an organization you own alongside your neighbors?

On June 11, your cooperative will host its 87th annual meeting, an event designed to give members a platform to stay informed and share their perspectives. In 2024, 300 — or 2.78% — of members attended the in-person annual meeting, and in 2025, 805 — or 7.45% — of members attended the drive-thru meeting.

By comparison, the very first annual meeting in 1939 saw about 80% of members present. Today, participation represents only a very small portion of the membership. Staying engaged ensures your voice is heard. Without participation, that voice is lost.

I encourage you to attend the annual meeting June 11 to exercise your right to vote and find out firsthand what is happening in the utility industry. You'll also gain a better understanding of how these events will affect your future energy use.

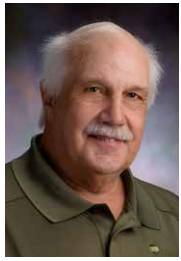
Your voice is power — use it! 🗳️

EMILY BAER

DIRECTOR OF MARKETING & MEMBER SERVICES

Serving You Through Energy Uncertainty

JERRY L. ENGLE, PRESIDENT
RUSTON OGBURN, GENERAL MANAGER



JERRY L. ENGLE

DESPITE ANOTHER UNPREDICTABLE year in the energy industry, Somerset Rural Electric Cooperative (REC) continued to deliver reliable electricity to our members in 2025. Through the many unknowns that impact our members, we believe the cooperative must move forward to improve our operational readiness and continue to build our financial strength.



RUSTON OGBURN

Recent wholesale market changes provide the most significant example of these unknowns and our need to evolve. For instance, there's a greater emphasis on our system's peak demand as well as the broader electric grid.

These demands led the cooperative to develop control strategies decades ago to keep our members' rates low. We are in the midst of reviewing and updating this program to continue to capture the benefits of load control for our members.

Our current control plan focuses on two key areas: water heaters and electric thermal storage, referred to as ETS units. We plan to continue our water heater program for the foreseeable future, so we will apply a \$75-\$150 bill credit for each member with a control unit on their eligible appliance this year. For ETS units, all kilowatt-hours consumed save a member about 40% when compared with regular electric heat.

While both programs continue to have value, we want to be proactive when considering enhancements to make them more effective for a broader range of our members. If you do not currently participate in our water heater program, more information will be available in the coming

months on how you can sign up to keep rates low and receive your electric bill credit.

Additionally, we are actively evaluating projects at the substation level that could provide similar benefits. These larger projects would require a significant investment today with payback coming in the form of lower wholesale costs going forward. These decisions require us to evaluate the energy markets and our members' needs over the next decade. While nothing is certain, the upward pressure on power costs in the wholesale market continues to build.

These efforts to control our kilowatt demand align with our proactive stance toward everything we do. Operationally in the past year, we continued reliability upgrades with pole inspections and replacements, reconductoring miles of lines and substation upgrades.

We slightly exceeded our vegetation maintenance goal with more than 240 miles of lines cleared or maintained. This work helped to limit power outages during several violent storms that swept through our territory last summer and during the coldest periods of winter.

On the financial side, we recognize that electric rate increases impact every member. Our focus on running a streamlined business leads to decisions after we evaluate how they will improve service to our members. Our members' service expectations start with reliability, but must be done economically. Our board of directors understands this balance and works to ensure that our employees have the tools to safely provide this value to our members.

Our work serving our members includes seven new employees who have joined the cooperative in the past year. We have a history of long-serving employees who learned member service from their predecessors and now pass that knowledge on to a new generation. We look forward to providing this essential service to our members. 🇺🇸



Somerset Rural Electric Cooperative, Inc. Member's Financial Report of 2025

Balance Sheets - Dec. 31, 2025 & 2024					
	2025	2024		2025	2024
Assets			Equities and Liabilities		
Electric plant in service	\$ 68,136,611	\$ 65,923,050			
Construction work in progress	\$ 350,791	\$ 316,661	Equities		
Total Utility Plant	\$ 68,487,402	\$ 66,239,711	Memberships	\$ 94,324	\$ 96,735
Accumulated provision for depreciation	\$(31,419,264)	\$(30,073,843)	Patronage capital	\$ 40,452,454	\$ 39,224,791
Net Utility Plant	\$ 37,068,138	\$ 36,165,868	Other equities	\$ 2,020,187	\$ 1,914,987
Investments			Total Member's Equities	\$ 42,566,965	\$ 41,236,513
Investments in associated organizations	\$ 785,732	\$ 818,382	Long-Term Liabilities		
Patronage capital, due from other cooperatives	\$ 10,488,471	\$ 10,238,459	CFC mortgage notes, less current portion	\$ 3,659,548	\$ 4,664,656
Total Investments	\$ 11,274,203	\$ 11,056,841	Post-retirement benefit obligation	\$ 936,640	\$ 974,163
Current Assets			Total Long-Term Liabilities	\$ 4,596,188	\$ 5,638,819
Cash, general	\$ 455,550	\$ 29,047	Current Liabilities		
Accounts receivable, consumers, net of accumulated provision for uncollectibles	\$ 2,578,537	\$ 2,589,726	Current portion CFC mortgage notes	\$ 1,005,108	\$ 984,572
Unbilled electric revenues	\$ 499,5416	\$ 550,623	CFC line of credit	750,000	-
Other receivables	\$ 622,131	\$ 518,355	Accounts payable - purchased power	\$ 1,744,655	\$ 1,348,302
Materials & supplies	\$ 1,019,245	\$ 908,920	Accounts payable - other	\$ 305,515	\$ 114,361
Prepaid expenses	\$ 100,757	\$ 93,588	Consumer deposits	\$ 1,185,471	\$ 1,203,533
Prepayments	\$ 28,998	\$ 52,430	Other current liabilities	\$ 503,525	\$ 535,204
Total Current Assets	\$ 5,304,759	\$ 4,742,689	Deferred credits	\$ 369,722	\$ 222,371
Deferred Debit	-	-	Accumulated miscellaneous operating provision	\$ 619,951	\$ 681,723
Total Assets	\$ 53,647,100	\$ 51,965,398	Total Current Liabilities	\$ 6,483,947	\$ 5,090,066
			Total Equities and Liabilities	\$ 53,647,100	\$ 51,965,398

Statements of Revenue and Patronage Capital For the Years ended Dec. 31, 2025 & 2024					
	2025	2024		2025	2024
Operating Revenue			Operating Margins Before Interest Expense		
Sales of electric energy	\$ 26,956,816	\$ 25,695,835	Interest expense	\$ 270,967	\$ 319,633
Other operating revenue	\$ 2,497,562	\$ 1,273,372	Operating Margins After Interest Expense	\$ 1,359,551	\$ 1,679,085
Total Operating Revenue	\$ 29,454,378	\$ 26,969,207	Non-Operating Margins		
Operating Expenses			Interest income	\$ 38,736	\$ 39,161
Cost of power	\$ 16,399,071	\$ 14,522,706	Gain (loss) on disposition of property	\$ 3,700	\$ (178,153)
Distribution - operation	\$ 2,647,187	\$ 2,310,486	Total Non-operating Margins	\$ 42,436	\$ (138,992)
Distribution - maintenance	\$ 3,771,174	\$ 3,405,204	Capital Credits	\$ 651,696	\$ 1,321,528
Consumer accounts	\$ 1,220,210	\$ 1,007,311	Net Margins	\$ 2,053,683	\$ 2,861,621
Consumer service & information	\$ 314,313	\$ 313,632	Patronage Capital, Beginning of Year	\$ 39,224,791	\$ 37,165,792
Administrative & general	\$ 1,398,787	\$ 1,319,487	Retirement of Capital Credits	\$ (826,020)	\$ (802,622)
Depreciation & amortization	\$ 2,073,118	\$ 2,091,663	Patronage Capital, End of Year	\$ 40,452,454	\$ 39,224,791
Total Operating Expenses	\$ 27,823,860	\$ 24,970,489			

Note: The complete 2025 Audit Report, as audited by Beer Ream Co., is available for inspection at the offices of Somerset Rural Electric Cooperative, Inc.

Amber Heffley Joins the Operations Team

EMILY BAER, DIRECTOR OF MARKETING & MEMBER SERVICES

PLEASE JOIN US IN EXTENDING a warm welcome to Amber Heffley, who joined our team Feb. 9 as our new operations assistant.

Amber brings a strong background in administration, service and leadership to the cooperative. She previously worked in collections at Somerset Trust Company and performed clerical work for the Commonwealth of Pennsylvania. In addition to her professional experience, Amber proudly served our country as a member of the Pennsylvania Army National Guard from 2017 to 2025. During her service, she completed a tour in Kuwait, where she served as a truck driver.

Amber is a 2012 graduate of Rockwood Area High School and earned her associate degree from Penn Highlands in 2015. She is also a Level 1 CrossFit trainer, reflecting her commitment to discipline, strength and personal growth.

Outside of work, Amber is active in her church community at Milford Global Methodist Church and is a member of Rockwood Legion Post 279. She enjoys spending time outdoors hiking and hunting, and most importantly, making memories with her husband, Heath, and their daughter, Sylvie.

In her operations assistant role, Amber will manage and route incoming outage calls during normal business hours, coordinate schedules, meetings, and travel arrangements for operations personnel, and maintain accurate records, filing systems, and operations time sheets.

Amber will also maintain and update safety manuals and improvement plans, coordinate safety training and certification programs, and help ensure regulatory and



WELCOME TO THE TEAM: Amber Heffley, right, recently joined the Somerset Rural Electric Cooperative (REC) team as its new operations assistant. One of her favorite activities is making memories with her husband, Heath, left, and their daughter, Sylvie.

environmental compliance.

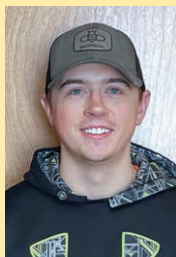
Amber's background in service — both to her community and her country — along with her strong organizational skills make her a wonderful addition to our operations team. We are grateful to have her on board and look forward to the positive impact she will make.

"I'm happy to have finally found a home with a career position," Amber says. "I look forward to learning and expanding my cooperative knowledge and strive to be an asset to the membership."

Welcome to the cooperative, Amber. We're glad to have you! 🎉

New Employee Spotlight: Peyton Harding Joins Right-of-Way Crew

EMILY BAER, DIRECTOR OF MARKETING & MEMBER SERVICES



PEYTON
HARDING

SOMERSET RURAL ELECTRIC COOPERATIVE (REC) is pleased to welcome Peyton Harding to the right-of-way crew. Peyton was hired Jan. 12 and brings a strong work ethic, hands-on technical experience and a passion for the electric utility industry to his new role.

Peyton is a 2019 graduate of Berlin Brothersvalley School District and most recently worked for Highland Tank, where he spent three years assembling and wiring components on grease interceptors and building rainwater harvesting systems. In addition, Peyton holds his Firefighter I certification and is a volunteer member of the Berlin Fire

Department, reflecting his commitment to service and teamwork.

Outside of work, Peyton stays busy enjoying the outdoors. He is an active member of the Mountain Bowman Archery Club and enjoys hunting, fishing, shooting his bow, riding side-by-sides, and golfing. He also values time spent with his family and his girlfriend, Hannah.

Peyton's long-term career goal is to become a lineworker, and by starting on the right-of-way crew, he hopes to gain valuable experience and knowledge to help him reach that goal. Somerset REC is excited to have Peyton on the team and looks forward to supporting his growth within the cooperative. Welcome, Peyton! 🎉