



Dear New Enterprise REC Member,

Our mission over the past eight-plus decades has been to provide safe, dependable, and competitively priced electricity to our members.

We control costs and increase efficiencies for the distribution system every day, always finding more ways to do more with less. However, increases in material costs, for example, and similar challenges impacting other areas of our cost to deliver service are an ongoing reality.

There are other parts of the electric power economies that we cannot control locally, and these are the larger drivers of increases that will affect us moving forward.

Decades ago, we took for granted the stability of power costs and the reliability of supply. Traditional generators were quiet giants, steadily operating without fanfare, providing ample, dispatchable capacity to meet our needs no matter the season or weather.

Electric Cooperatives run on a straightforward promise at their heart; it is a math problem, but math is not adding up. Electricity demand in our region is climbing faster than a new supply can come online. Across the 13-state PJM Interconnection (PJM) region, which includes Pennsylvania and New Jersey, supply and demand for electricity have become unbalanced.

The energy resources owned by Allegheny include nuclear and hydroelectric assets. This business model limits our dependency on market-priced power. Despite this well-positioned arrangement, wholesale electric costs at New Enterprise have risen 30% since 2020.

For New Enterprise REC, this translates to an increase in the generation, transmission, demand, and capacity components of our wholesale electricity rates.

Current energy market conditions will affect cooperative energy rates throughout 2026. Locally, energy transmission costs have increased roughly 12%. For our average residential member using 900 kilowatt-hours monthly, the coming rate impact will amount to a \$7 to \$8 increase, or between 5% and 6% over 2025 costs. The changes will take effect for January use, which is billed in February.

Our cooperative ownership gives us tools that other utilities do not have. New Enterprise Rural Electric Cooperative (REC) receives most of its energy from Allegheny Electric Cooperative, Inc. (Allegheny), the wholesale power provider we own with 13 other rural electric co-ops in Pennsylvania and New Jersey. Through long-term planning, Allegheny continues to deliver some of the most stable, affordable generation rates in the PJM region to cooperatives, even as market prices spike elsewhere.

Our focus will always remain on our members. We will continue to control what we can here at home, support our communities and provide the best value and service to our membership. That is the cooperative difference.

Please stop in or give us a call anytime.

**MARK MORRISON**  
GENERAL MANAGER/CEO