



MESSAGE FROM THE PRESIDENT

Harvesting the benefits of your co-op membership

Co-op returning \$1.1 million in capital credits



Dan Schloemer
BOARD PRESIDENT

Investor-owned utilities refused to bring electricity to the sparsely populated areas of the country during the early part of the 20th century. In 1936, farmers and residents of Firelands' service territory joined others in a national movement to bring electricity to rural America. By pooling their resources, they were able to accomplish what could not be done individually.

With the investment of members like you, the co-op generated enough capital to start building Firelands' first 100 miles of power lines. Today, this distribution system has grown to encompass nearly 1,000 miles of line and serve more than 9,300 homes, farms, and businesses across portions of four counties.

As a member-owner of Firelands Electric Cooperative, you not only receive reliable, affordable electricity, but also reap other benefits from this unique business model. One of these benefits is the return of capital credits.

Unlike other electric utilities, your co-op exists to make sure your power needs are met — not to make a profit. Instead, any revenues over and above the cost of doing business are considered "margins." These margins represent your share of ownership in the cooperative.

These margins are then used to maintain and improve the electrical distribution system, as well as cover unforeseen expenses such as storm damage or other emergencies. They serve as an interest-free loan of operating capital by the membership to the co-op, which prevents the need to borrow larger sums of money that would cost the co-op — and its members — interest. In other words, as a member, your investment helps provide the co-op with necessary funding to grow and flourish without accumulating high interest payments.

And best of all, when these funds are no longer needed to operate the co-op, they are refunded to you!

This year, Firelands Electric is excited to announce the retirement and refund of \$1.1 million in capital credits to current and former members who received electric power from the co-op in portions of 2006 and 2007. Thank you for investing in the future of your cooperative and your community!

Continue reading on the next page for the answers to common questions about capital credits. Additional information is also available at www.firelandsec.com/capital-credits or by contacting our billing department at 1-800-533-8658.



CAPITAL CREDITS Q&A

How much has the co-op returned in total capital credits retirements?

Since 1948, Firelands Electric Cooperative has refunded more than \$23.5 million in capital credits to our members.

What years and how much will be returned this year?

In August, Firelands will retire capital credits to members who purchased electricity during portions of 2006 and 2007. A total of \$1.1 million will be refunded to current and former members.

How will refunds be issued?

Current members who are eligible for a refund will automatically receive a credit on their August bills. Former members scheduled to receive a refund will be issued a check, so it is important that Firelands Electric has your current mailing address on file.

I did not receive electric service from the co-op in 2006 or 2007. Will I get a refund?

No. This year, capital credit retirements will only be made to current and former members who purchased electricity during the period being retired.

Where do capital credits come from?

As a member-owned and not-for-profit utility, Firelands operates on an at-cost basis. Rates are set to generate enough money to pay operating costs, make payments on any loans, and provide a reserve for emergencies. At the end of each year, operating expenses are subtracted from the operating revenue collected during the previous 12 months. The balance is called an operating “margin.”

How does the co-op use these funds?

Capital credits represent the most significant source of equity for the cooperative. They are used to build and maintain Firelands Electric’s distribution system. This allows the cooperative to invest in the future without borrowing the entirety of the large sums of money required for upgrades and growth.

What is the difference between allocated and retired capital credits?

An allocation is made annually for every member based upon Firelands’ margins for the year and the amount of electricity the member purchased. Co-op members receive an allocation notice every year, which is simply a report showing their capital credits balances for the current and previous years.

A retirement is the portion of a member’s capital credits balance that is being refunded. The amount retired is decided annually by the board of trustees based on the financial health of the cooperative.

How are capital credits calculated?

The amount of capital credits you earn in a given year is based upon the amount of capital you contribute to the co-op through payment of your monthly bills.

Will I receive a refund every year?

Like any investment, receiving a payout takes time. The board of trustees authorizes retirements based on the financial condition of the co-op. In years with severe storms or other emergencies, for example, the co-op may need to redirect funds. Financial demands like these determine whether the board of trustees can authorize a retirement

and the total refund amount. When a retirement does take place, specific dates of service are selected, and those who were Firelands Electric members during this period are eligible to receive refunds. Typically, members with the longest-standing investments in the co-op receive a refund first. In recent years, those receiving refunds have been co-op members for about 20 years.

What happens to my capital credits if I move out of the co-op's service area?

Your capital credits balance remains on the books in your name until the credits are retired. Refund payments are made to both current and former co-op members, so be sure to always provide us with your current mailing address.

What happens to the capital credits of a member who passes away?

The capital credits of a deceased member may be paid at a discount without waiting for a general retirement. However, these estate payments are not automatic. A legal representative of the estate should contact the co-op for assistance.



Happy **LABOR DAY**

Firelands Electric's
office will be closed

**MONDAY,
SEPT. 7**

As always, emergency
service is available
24/7 by calling
1-800-533-8658.





FIRELANDS ELECTRIC COOPERATIVE LOCAL PAGES

YOUTH PROGRAMS



EXPERIENCE OHIO'S CAPITAL

**Area high school students are invited to apply
for Cooperative Youth Day in Columbus,
on Thursday, Oct. 22, 2026.**

Firelands Electric will be selecting up to 25 students to join us for this FREE, all-day chartered bus trip. Selected participants will tour the Ohio Statehouse, meet with legislators, and much more!

To be eligible, students must be in grades 9 through 12 during the 2026-27 school year and attend one of the schools in or around Firelands Electric Cooperative's service territory (Ashland, Huron, Lorain, or Richland counties).

APPLICANTS DO NOT NEED TO BE CO-OP MEMBERS.

Complete details and a link to the application are available at www.firelandsec.com/cooperative-youth-day. You may also visit our Flickr gallery at www.flickr.com/photos/firelandsec/albums to view photos from last year's Youth Day.



Cooperative
Youth★Day

Oct. 22, 2026

Questions? Contact Firelands Electric's member services department at members@firelandsec.com or by calling 1-800-533-8658.



SCAN TO APPLY BY:
SEPTEMBER 11

EMPLOYEE NEWS



Dave Sumpter
LEAD LINEMAN — 2026

THE POWER OF PROGRESS

Lineman celebrates 20-year milestone

Lead Lineman Dave Sumpter recently celebrated 20 years with Firelands Electric Co-op.

Originally hired as a tree trimmer in July 2006, Dave became an apprentice lineman in January 2007. He was promoted to journeyman lineman in June 2011 and to lead lineman in December 2022.

While Dave completed his initial training at Marion Technical College, he earned an Associate of Applied Science degree in 2023 through a partnership between West

Virginia University at Parkersburg and Ohio's Electric Cooperatives' Central Ohio Lineman Training (COLT) program. As a lead lineman, Dave is responsible for running a line crew, which handles everything from routine maintenance of lines, transformers, and outdoor lighting to outage restoration and construction of new services.

Dave recently shared some reflections on his past two decades serving the cooperative:

Q: What is the most useful tool in your truck that didn't exist when you started?

A: When I first joined the co-op, everything had to be printed on paper or relayed through word of mouth. Even with cellphones and radios, it took time to contact the right coworker and gather the information we needed. Today, our iPads allow us to instantly get outage details, maps, emails, and daily job assignments in the field. With state-of-the-art software, we can even pinpoint issues with security lights while still inside the cab of our truck.

Q: What stands out to you as the most significant change in our industry since you started at the co-op?

A: While we have always prioritized safety, we are much more safety-focused today. We are better trained to understand all types of situations and know exactly what to do to avoid potential hazards.



Dave began his career at the co-op as a tree trimmer in 2006.

Q: If you could describe your 20 years at the co-op in just three words, what would they be?

A: Fast, awesome, and grateful.

- Fast — It seems like I just started yesterday!
- Awesome — Helping people is the co-op's "why." And it's a great way to work.
- Grateful — Both my job at Firelands and my coworkers have truly done so much for my family and me.

Q: When you aren't at work, where are members most likely to run into you locally?

A: Off the clock, I'm typically with my sons, T.J. and A.J., at wrestling matches or supporting their other activities. The three of us like to hang out, tease each other — and just do "guy" stuff.

Q: What is your favorite local landmark, charity, or community event in our service territory?

A: I enjoy heading down to the southern portion of Firelands' service territory to eat lunch at Charles Mill, Pleasant Hill, or the park in Perrysville. These spots make for a nice little break during the day.

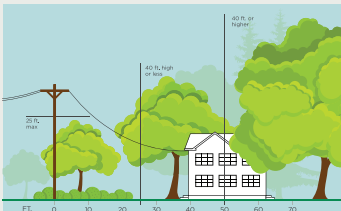


3 Ways to help limit tree trimming

We know you love your trees, and will do everything we can to avoid trimming them, but here's how you can help:

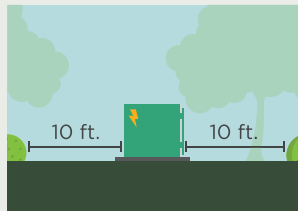
1. Plant trees in the right place.

Trees that will be less than 40 feet tall should be planted at least 20 feet away from power lines (those over 40 foot should be at least 50 feet away).



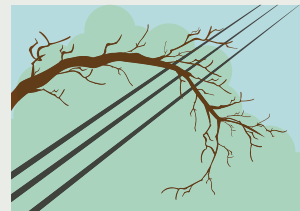
2. Don't block pad-mounted transformers.

Plant shrubs at least 10 feet away from all sides of pad-mounted, or ground, transformers.



3. Report dangerous branches.

If you spot a tree or branch that is dangerously close to power lines, please let us know.



**Trimming improves safety and reduces outages for all.
Let's work together to enjoy the beauty of trees and reliable electricity.**

Co-op employees step into new roles

Two members of the Firelands Electric team recently moved into new positions within the cooperative.

EVAN CLEMONS transitioned from his former role of lead lineman to take on the responsibilities of system right-of-way coordinator. His new duties include coordinating, directing, and supervising the vegetation and tree crews contracted by Firelands to maintain safe clearance from our power lines and other equipment. Meeting with members to discuss line clearance questions or concerns is also among the tasks associated with his new position.

JAKE WILLBOND was recently promoted to journeyman lineman to lead lineman. In this role, he will be responsible for overseeing a crew that performs line repair, construction, and maintenance. Projects will include everything from substation and underground residential distribution maintenance to replacing and installing poles, transformers, conductors, switches, and much more.



Evan Clemons
SYSTEM RIGHT-OF-WAY
COORDINATOR



Jake Willbond
LEAD LINEMAN

REBATE PROGRAMS

TAKE A BITE OUT OF YOUR ENERGY BILLS WITH REBATES

An energy-efficient home not only reduces your electricity use — it also lowers your utility bills. To help make your home more energy savvy, Firelands Electric Cooperative offers members rebates on more than a dozen different purchases and upgrades. Keep reading to see how you can take a “bite” out of your bill!

Appliances

Cooperative members who replace existing electric appliances with a new model can receive bill credits ranging from \$25 to \$100 per appliance.

- Refrigerator or stand-alone freezer — \$100 bill credit
- Dishwasher, clothes washer, or clothes dryer — \$50 bill credit
- Dehumidifier — \$25 bill credit

Electric water heaters

- Replacement of an existing electric water heater with a new qualifying model that meets or exceeds the cooperative's energy efficiency requirements — \$150 bill credit
- Add a load management device to an existing electric water heater that does not already have one installed — \$50 bill credit

Heat pump and geothermal systems

Cooperative members who purchase and install new or replacement geothermal or air-source heat pump systems that meet or exceed the co-op's energy efficiency standards can also qualify for rebates.

These incentives do require participation in the cooperative's

Cool Returns load management program, except for communicating or ductless systems.

- All-electric geothermal system — \$700 to \$800 rebate
- All-electric heat pump system — \$400 to \$500 rebate
- Dual-fuel geothermal or heat pump system (added to a fossil fuel furnace) — \$200 to \$300 rebate
- Ductless or mini-split heat pump system — \$300 rebate

Other rebates available

- Level-2 electric vehicle charger — \$250 rebate
- Smart thermostat — up to a \$150 bill credit
- Professionally installed air-sealing and insulation upgrades — up to an \$800 rebate

The current rebate program year is effective July 1, 2026, to June 15, 2027. For a complete list of Firelands Electric Cooperative's rebate programs, as well as their specific eligibility requirements, visit www.firelandsec.com/member-programs. Questions regarding these programs should be directed to the cooperative's member services department at members@firelandsec.com or by calling 1-800-533-8658.



Scan for complete details on all available rebate programs.





COOPERATIVE UPDATE

BOARD MEETING *highlights*

Firelands Electric Cooperative's Board of Trustees met May 26 and covered the following items:

- Board President Dan Schloemer reported that the cooperative received 40 membership applications for approval by the board.
- General Manager Don Englet reviewed the monthly safety and training, tree-trimming, outage, and personnel reports.
- The board elected officers for the upcoming year. Dan Schloemer was chosen to serve as president, Kevin Reidy as vice president and assistant secretary/assistant treasurer, and Tom Lucha as secretary/treasurer.
- Nick Nelson from Power System Engineering presented the results of the cooperative's recent Cost of Service Study.
- Englet provided updates on functions he recently attended, including the Power Delivery Committee and Ohio Managers' Association spring meetings.
- Director of Operations Rick Bowers reported on activities in the operations department.
- Schloemer provided a recap on the recent OREC meeting he attended.

- The board accepted the bid from Pennsylvania Transformer Technology, LLC, for the new Hillsdale Substation transformer.
- Englet presented possible options for this year's capital credits retirement. The board decided to review the proposals and defer any decision until next month.
- Director of Finance and Accounting Tabi Shepherd reviewed the April financial reports and provided an update on recent accounting and billing department activities.
- Englet reported on recent activities involving the member services and IT departments due to Director of Communications and IT Andrea Gravenhorst's absence.
- Englet provided an update on the cooperative's Operation Round Up program, including recent grants awarded and current funding.

The cooperative's next board meeting is scheduled for Tuesday, Aug. 25. If you would like to attend the next scheduled meeting, please contact the Firelands Electric office at 1-800-533-8658.

FIRELANDS ELECTRIC COOPERATIVE, INC.

OUTAGE HOTLINE

1-800-533-8658

OFFICE

103 Industrial Drive
New London, OH 44851
1-800-533-8658

OFFICE HOURS

Mon.-Fri. 7:30 a.m.-4 p.m.
www.firelandsec.com



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[Vacant]
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Adrian Finlay
District 8

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District 9

GENERAL MANAGER

Don Englet

HAVE A STORY SUGGESTION?

Email your ideas to:
members@firelandsec.com

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative 