

SHINING A LIGHT ON A Community

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative

2024
ANNUAL REPORT



Board

OF TRUSTEES

Firelands Electric Cooperative was founded in 1936 and serves a four-county area that is divided into nine board districts. During the annual election process, the co-op's membership elects one fellow member residing in each district to represent them on Firelands' board of trustees.

The nine-member board meets at the cooperative's headquarters in New London, typically on the fourth Tuesday of each month. The board of trustees governs the co-op, ensuring that it operates in the best interests of its members, which includes overseeing the general manager/CEO, setting company policy, and monitoring the finances of the cooperative. Trustees also receive ongoing education and training to better serve the membership.

Responsible for cooperative policies, rates, and objectives, the board also regularly reviews the cooperative's operating performance. As representatives of the co-op community, board members communicate the problems and needs of the membership.



DAN SCHLOEMER
District 1 Trustee
Board President



JOE WILLIAMS
District 2 Trustee



TOM LUCHA
District 3 Trustee



LON BURTON
District 4 Trustee



CARL AYERS
District 5 Trustee
Board Secretary/Treasurer



KEVIN REIDY
District 6 Trustee
Board Vice President



GREG HESS
District 7 Trustee



ADRIAN FINLAY
District 8 Trustee



BRIAN CUCCO
District 9 Trustee

Message

FROM MANAGEMENT

After nearly 90 years, Firelands Electric Cooperative continues to be a resilient member-owned utility, operating on a not-for-profit basis while providing reliable and affordable power to more than 9,280 homes and businesses across 31 townships in four counties.



The board of trustees and management prioritizes our past when it comes to capital credits, which is the money left over after covering all the cooperative's expenses. Many of these capital credits were previously used to maintain and improve the electrical distribution system, make repairs, and cover any other necessary costs associated with providing members with safe, reliable power.

For a third consecutive year, Firelands Electric Cooperative distributed \$1 million in general retirements in 2024, returning some of those strong margins back to the members. These capital credits are just one of the many benefits enjoyed by members of a not-for-profit electric cooperative.

Margins continue to be an important source of funds for not only our capital credits payouts, but also the large investments we make in our poles, lines, substations, and equipment every year. Firelands Electric Cooperative spent \$4.3 million on capital improvements in 2024. A little over half of this amount was financed, while margins supplied the rest of the capital needed.

Significant increases in the cost of doing business over the past four years have been a challenge, especially with the rate of inflation and rising material costs. Along with significant investments in the distribution system, these increasing costs resulted in the need for small rate adjustments, which were reflected on members' February 2024 and April 2025 bills.

The cooperative's board of trustees does not take rate adjustments lightly. That's why Firelands Electric's board and management team work together to ensure rate adjustments are thoroughly vetted and assessed before any action is taken. Rest assured, Firelands Electric will continue working diligently to find the right balance between reliability and affordability.



Focused

ON RELIABILITY



DON ENGLET
General
Manager

Firelands Electric Cooperative's primary goals are reliability — keeping the lights on for our members — and keeping the cost of electricity affordable. For us, this includes finding the right balance of investment in ongoing maintenance, while also making sure we are adequately planning and preparing for the future.

Reliability of our distribution system is measured using the System Average Interruption Duration Index (SAIDI). This formula takes the total of all member outage times and the number of members affected and then determines how many minutes the average member was without power for a given period.

In 2024, Firelands Electric's SAIDI score was reduced by 88% compared to 2023, and was 65% lower than the cooperative's nine-year average. This tremendous accomplishment was made possible through the hard work, dedication, and investment by the cooperative's members, board of trustees, and employees.

When compared to the same time last year, the cooperative's 2025 SAIDI numbers continue to trend in the right direction. This trend is also a result of Firelands Electric's work plan. Every four years, the cooperative develops a construction work plan that covers major projects the cooperative is undertaking for capacity, voltage, and reliability improvements.

Firelands Electric's current work plan will be completed at the end of 2025 and has tackled some of the most difficult, problematic, and expensive areas of our distribution system. While work continues in many areas of the cooperative's system, several large projects were completed in southern Ashland and western Richland counties in 2024. Throughout the distribution system, poles and conductors were replaced — doubling, and in some cases tripling, the overall capacity of the power lines. Firelands worked with members, landowners, townships,



counties, and the state to install these new lines in areas that are more readily accessible. Relocating to these areas, including along roads and driveways, was intended to make future maintenance and upkeep easier and faster.

When designing the work plan, Firelands Electric uses industry data for cost estimates. The cooperative's board has committed to investing

nearly \$12 million dollars in new distribution lines, installing updated equipment, making line improvements, and replacing our aging Coulter substation. Firelands Electric has employed new methods, materials, and technology aimed at delivering reliable, cost-effective electricity.

Firelands Electric is currently preparing the next work plan, and the cooperative will once again look to make some drastic improvements for reliability and capacity, making sure that Firelands is well prepared to serve our members well into the future. These plans include working with Buckeye Power, First Energy, and American Electric Power to bring two new transmission feeds into the cooperative's New London substation. Firelands also has a new, greatly improved transformer on order to replace the one destroyed by lightning at the cooperative's Fitchville substation. In addition, the co-op is finishing the design of a new substation, which will be located outside of Jeromesville and serve existing members, as well as the growing communities in this area.

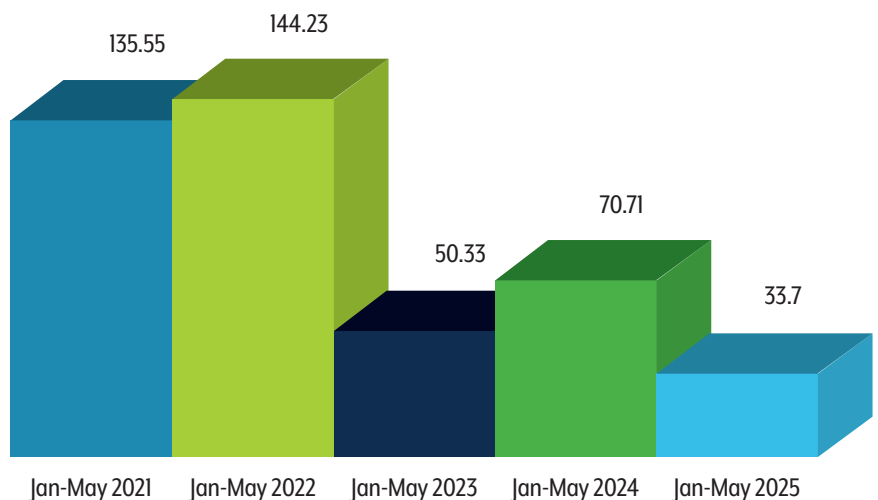


In addition to system improvements, Firelands has invested heavily in increasing the frequency of its tree and right-of-way maintenance program. In 2025, the board of trustees budgeted \$1.25 million dollars for the program. The cooperative is addressing 33% more of our system with each trimming cycle, which is helping reduce the number and length of outages.

Firelands Electric Cooperative is actively taking several steps to ensure that the cooperative is fully prepared to provide our member-owners with a reliable and affordable supply of power for their homes and businesses.

SAIDI Score History

(average length of outage per member measured in minutes)



By the numbers

REBATES & INCENTIVES

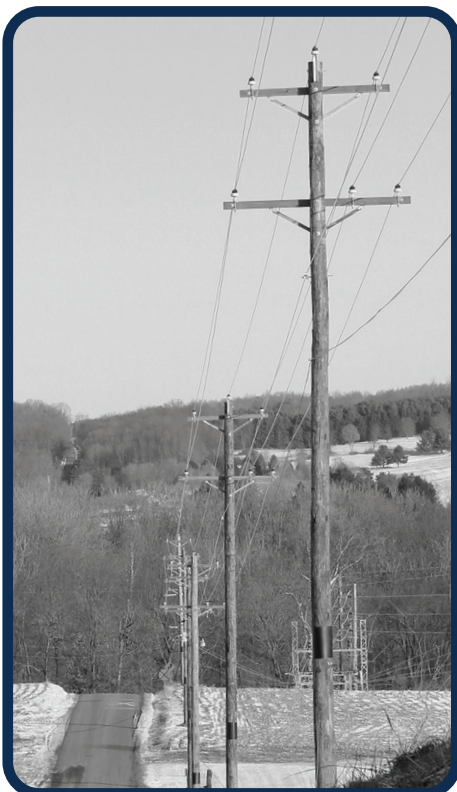
TOTALING MORE THAN

\$34,000

WERE PAID TO MEMBERS

71 NEW ELECTRIC SERVICES

WERE CONSTRUCTED
AND BUILT



**198,531
MILES**

WERE DRIVEN BY
CO-OP VEHICLES
TO MAINTAIN THE
DISTRIBUTION SYSTEM

OPERATION ROUND UP GRANTS

TOTALING

\$44,945

WERE AWARDED TO
13 CHARITABLE
ORGANIZATIONS

**\$1,203,835
IN CAPITAL CREDITS**

WAS RETURNED
TO CURRENT AND
FORMER MEMBERS

THE 7 COOPERATIVE PRINCIPLES

- ★ Voluntary and Open Membership
- ★ Democratic Member Control
- ★ Members' Economic Participation
- ★ Autonomy and Independence
- ★ Education, Training, and Information
- ★ Cooperation Among Cooperatives
- ★ Concern for Community

2024

327 MILES
OF RIGHT-OF-WAY
WERE TRIMMED

**\$10,500 IN
SCHOLARSHIPS**
WAS AWARDED TO
11 CHILDREN OF MEMBERS

MISSION STATEMENT

Improving the quality of life of our members by delivering reliable electric service at competitive prices, following the Seven Cooperative Principles, while supporting the communities where our members live and work.

Management and



DON ENGET
General
Manager



RICK BOWERS
Director of
Operations



ZACH COLLINS
Line
Superintendent



Julie Amato
Billing Representative



Scott Carbary
Contracted Energy Advisor



Evan Clemons
Lead Lineman



Colt Cross
Apprentice Lineman



Chris Kent
Journeyman Lineman



Josh Kirk
Operations Technician



James Miller
System Right-of-Way
Coordinator



Phil Pickering
Lead Lineman



Rob Swiger
Engineering Operations
Coordinator



Cindy Thompson
Accountant



Jake White
Apprentice Lineman



Matt Whiteside
Journeyman Lineman

Employees



ANDREA GRAVENHORST
Director of
Communications & IT



SHELLEY MAGYAR
Director of
Human Resources



TABI SHEPHERD
Director of
Finance & Accounting



Jared Galloway
Journeyman Lineman



Tracy Gibb
Communications & Member
Relations Specialist



Zach Hart
Apprentice Lineman



April Hicks
Operations Assistant



Stephanie Schmidt
Consumer Services &
AMI Coordinator



Jessica Schwanger
Part-Time Consumer
Services Representative



Robert Shepherd
Journeyman Lineman



Dave Sumpter
Lead Lineman



Jake Willbond
Apprentice Lineman



Melissa Wilson
Engineering & Operations
Data Coordinator



Melissa Zacharias
Accounting Clerk

Financial Health

COMPARATIVE BALANCE SHEET

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

UTILITY PLANT

Electric plant in service

Construction work in progress

Less: Accumulated provision for
depreciation and amortization

Net Utility Plant

2024

\$ 59,368,521

3,720,886

63,089,407

(22,024,184)

41,065,223

2023

\$ 57,101,442

2,435,508

59,536,950

(20,762,252)

38,774,698

NON-CURRENT ASSETS

Investments in associated organizations

Deferred charges

Total Non-Current Assets

10,107,060

17,617

10,124,677

10,235,774

35,235

10,271,009

CURRENT ASSETS

Cash and cash equivalents

Accounts receivable, consumers and

other, less allowance for doubtful
accounts of \$258,589 (\$255,763 in 2023)

Materials and supplies

Accrued utility revenues

Other current and accrued assets

Total Current Assets

1,131,500

2,076,804

938,260

531,778

440,164

5,118,506

899,343

1,911,656

821,139

483,237

155,367

4,270,742

Total Assets

\$ 56,308,406

\$ 53,316,449

ASSETS

MEMBERS' EQUITIES

Memberships

Patronage capital

Other equities

Total Members' Equities

\$ 23,758

24,526,635

2,223,683

26,774,076

\$ 24,728

23,886,836

2,190,996

26,102,560

NON-CURRENT LIABILITIES

Long-term debt

24,977,268

23,055,614

CURRENT LIABILITIES

Current portion of long-term debt

Accounts payable

Consumer deposits

Accrued taxes

Other current and accrued liabilities

Total Current Liabilities

1,140,253

1,673,533

346,266

899,650

497,360

4,557,062

1,099,648

1,414,099

339,666

862,321

442,541

4,158,275

Total Members' Equities & Liabilities

\$ 56,308,406

\$ 53,316,449

EQUITIES & LIABILITIES

STATEMENTS OF REVENUE & EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

OPERATING REVENUE

OPERATING EXPENSES

Cost of power
Distribution expense - operations
Distribution expense - maintenance
Consumer accounts
Administrative and general
Depreciation and amortization
Taxes

Total Operating Expenses

Operating margins before fixed charges
Interest on long-term debt

Operating margins after fixed charges
Patronage capital assigned by associated organizations

Net Operating Margins

NON-OPERATING MARGINS

Interest income
Gain on sale of assets
Other income (expense)

Total Non-Operating Margins

Net Margins for Period

PATRONAGE CAPITAL & OTHER EQUITY

Net Margins
Beginning of Year
Subtotal
Retirement of Capital Credits and Other Adjustments (Net)

Patronage Capital & Other Equities End of Year

2024	2023
\$ 24,606,828	\$ 22,709,297
13,796,475	12,376,048
1,632,935	1,428,400
2,372,628	2,424,531
867,474	808,808
1,513,105	1,365,019
1,852,204	1,786,852
513,463	509,893
22,548,284	20,699,551
2,058,544	2,009,746
844,649	780,242
1,213,895	1,229,504
426,627	771,383
1,640,522	2,000,887
85,303	77,004
3,283	8,841
(31,679)	(25,599)
56,907	60,246
\$ 1,697,429	\$ 2,061,133

MARGINS & EXPENSES

\$ 1,697,429	\$ 2,061,133
23,886,836	22,982,156
25,584,265	25,043,289
(1,057,630)	(1,156,453)
\$ 24,526,635	\$ 23,886,836

EQUITY

The accounts of your cooperative for the years ended December 31, 2024 and 2023, have been audited. The auditor's complete report is on file at the office of the cooperative and is available for inspection by the members of Firelands Electric Cooperative.

Fighting the way
since 1936



**Firelands
Electric**
COOPERATIVE
A Touchstone Energy Cooperative

Firelands Electric Cooperative, Inc.

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New London, OH 44851

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Office Hours: Mon.–Fri. 7:30 a.m.–4 p.m.