

service with purpose

90

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative

YEARS



2025

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

Firelands Electric Cooperative is celebrating a 90-year milestone this year and continues to be a resilient member-owned utility, operating on a not-for-profit basis while providing reliable and affordable power to more than 9,300 homes and businesses across 31 townships in four counties.

Rural electric cooperatives were somewhat of an experiment in 1936. The capital to build lines and substations came largely from federal loans. Firelands was the 83rd co-op approved for funding through the Rural Electrification Administration, the lending agency formed by Congress to help establish cooperatives. Back then, members contributed just \$5 for a membership, while the REA contributed toward the remaining cost.

The trade-off was that any profits/margins be retained for many years to help build the distribution system. Firelands Electric still uses that concept today, borrowing about 60% of capital expenditures from the government and using margins for the remainder, and the cooperative returns those margins to member-owners when financially able.

Traditionally, the cost to serve fewer customers per mile in rural areas required electric rates to be higher than larger populated areas served by investor-owned utilities. We continue to read about steep increases in electric rates and other goods across Ohio and nationally. Over the past few years, Firelands Electric has been faced with the rising costs of transformers, wire, and equipment. This resulted in necessary rate increases in January of 2024 and April of 2025, but having a strong financial year in 2025 will prevent a rate increase in 2026.

For a fourth consecutive year, Firelands returned \$1 million in capital credits back to members of the cooperative in 2025, disbursing a portion of record margins. These capital credits are just one of the many benefits enjoyed by members of a not-for-profit electric cooperative.



Members of Firelands Electric's Board of Trustees

CIRCA 1950s

Buckeye Power has received many inquiries from data center developers, and there are several in the works to be constructed on cooperative lines. We read about the voracious appetite these centers have for electricity and that in some areas new data centers have driven consumer electric bills higher.

In March of this year, the Buckeye Power board voted to establish a new tariff rate structure for data centers. The tariff objectives include preserving generation for existing cooperative members throughout Ohio, while allocating costs for data

centers to pay their share, followed by requiring data centers to curtail their load if Buckeye Power's grid operator demands it to protect reliability for existing co-op member-owners. This is one way your electric cooperative is looking out for you.

FOCUS ON RELIABILITY

A MESSAGE FROM YOUR GENERAL MANAGER

Firelands Electric Cooperative's primary goals and focus are to provide safe, reliable, affordable power, and planning for what is next.

Reliability starts with vegetation. Trees have historically caused about 40% of the cooperative's outages, and managing nearly 1,000 miles of line is ongoing work — but it's also one of the most effective ways to reduce power interruptions.



DON ENGLT
General Manager

Firelands moved from a four-year to a three-year trimming cycle, and in 2025 tree-related outages dropped by roughly 65%. In addition to addressing leaning tree hazards toward power lines, showing root lift or obvious decay, the cooperative is tackling high-risk trees outside the

right-of-way. This entails coordinating with property owners and partners when needed to protect the system while respecting member property.

Beyond trimming, the cooperative continues to invest in system design with substation upgrades, feeder improvements, and switching automation that can isolate problems and reroute power when needed. In every outage, Firelands Electric's priorities are safety first, restoring the greatest number of members as quickly as possible, and protecting critical infrastructure — along with clear, timely communication.

Several major projects are strengthening capacity and flexibility. The cooperative's Coulter substation upgrade of roughly \$3.2 million is nearing completion and is expected to be online in October 2026. This upgrade has tripled capacity, the separated circuits can reduce the number of members impacted by outages, and the Coulter substation will be able to back-feed the cooperative's Jeromesville and Mifflin substations.

In January 2027, Firelands expects delivery of a new power transformer for the cooperative's Fitchville substation. This new component will double capacity and strengthen ties with the cooperative's New London and Boughtonville substations, and the Greenwich metering point — improving resilience during peak load and supporting future growth.

Firelands Electric is also moving forward on a new substation located just outside of Hayesville. The land purchase is complete, contracts are being finalized, and the Hillsdale Substation will improve how the cooperative serves and transfers load between the Ashland, Coulter, and Jeromesville substations. The new infrastructure, with modern protection and greater operational flexibility, will strengthen capacity for those members.

Located near Firelands Electric Cooperative's office facility in New London, FirstEnergy has built a new ring bus substation to interconnect FirstEnergy and AEP transmissions systems. When complete, Firelands' substation in New London will be able to receive transmission service from either provider. This will enhance reliability and reduce the risk of an upstream

transmission outage affecting the cooperative's 1,895 members currently served by Firelands Electric's New London substation.

At the end of 2025, the cooperative completed its four-year \$9.8 million construction work plan. Looking ahead, Firelands' board of trustees has approved the next phase, which includes \$13.2 million in plant improvements through 2029, in addition to planned substation projects and upgrades. These investments help the cooperative stay ahead of growth, aging infrastructure, and severe weather — making the distribution system more resilient while reducing avoidable emergency repairs over time.

A continuing challenge is cost and lead time in the utility supply chain. Key items — transformers, switchgears, conductors, and even line trucks — often take much longer to procure and cost more than they did a few years ago. That means we must plan earlier, order sooner, and keep disciplined schedules to deliver projects on time and within budget.

From tree-trimming to substation upgrades, everything Firelands Electric Cooperative does is focused on safe, reliable, affordable power — delivered with the accountability our cooperative member-owners deserve. Firelands will keep investing where it matters, communicating clearly, and planning responsibly for tomorrow's demands.



BY THE NUMBERS

\$1,173,653
IN CAPITAL CREDITS
WAS RETURNED
TO CURRENT AND
FORMER MEMBERS

REBATES & INCENTIVES
TOTALING MORE THAN
\$37,000
WERE PAID TO MEMBERS IN 2025

**OPERATION
ROUND UP
GRANTS**
TOTALING
\$57,950
WERE AWARDED TO
19 CHARITABLE
ORGANIZATIONS
LAST YEAR



IN 2025
269 MILES
OF RIGHT-OF-WAY
WERE TRIMMED

**\$10,750 IN
SCHOLARSHIPS**
WAS AWARDED TO ONE MEMBER
AND 10 CHILDREN OF MEMBERS

THE 7 COOPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community

82 NEW ELECTRIC SERVICES

WERE CONSTRUCTED
AND BUILT IN 2025



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.



LOOKING BACK

ELECTRIFYING YOUR PAST

In the early 1930s, only about one in ten farmers had electric service, and those who did paid an average of about nine cents a kilowatt-hour.

President Roosevelt created the Rural Electrification Administration (REA) with an executive order under powers granted by the Emergency Relief Appropriation Act of 1935. The goal of the REA was to bring electricity to America's rural areas.

Electric cooperatives were created to bring power to the countryside, to enrich the people of this great nation through the use of labor-saving devices, and to grow innovative new industries. Cooperatives provided the backbone for this growth, bringing light, power, and communication to the rural areas and small towns of the United States.

Ninety years ago, a small group of farmers had a vision for your cooperative when they formed North Eastern Farm Bureau Electric Cooperative, and today, we are reaping the benefits of their foresight and vision. It's unlikely the founders anticipated the myriad of electronics running in our homes today. From televisions and central air conditioning to computers, and even plug-in electric cars, your cooperative's founders laid the foundation for us to meet the needs of future generations.

BY THE PEOPLE, FOR THE PEOPLE

The first steps toward getting electricity for the rural areas of Huron, Ashland, Richland, and Lorain counties began in May of 1936, when a meeting was held to form the local REA, elect

officers to head the project, and sign up potential member-consumers. Since then, 68 people have served on the cooperative's board of trustees.

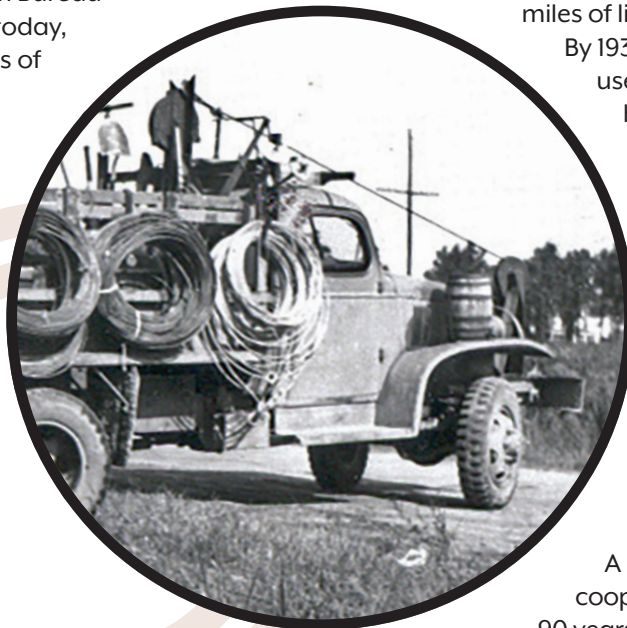
In 1937, the North Eastern Farm Bureau Electric Cooperative facility moved from its original Norwalk location to North Fairfield, and the name was changed to Firelands Electric Cooperative, which was the 83rd electric cooperative formed in the country. Today, there are more than 900 not-for-profit electric cooperatives nationwide, serving 42 million people in 47 states.

After several years of preliminary work, mapping out the proposed service territory, and applying for a \$100,000 federal loan to begin line construction, prayers were answered with loan approval in February of 1938. The first 100 miles of the cooperative's lines were strung near North Fairfield to the area by Plymouth East Road in Huron County and were energized in August of 1938.

In December of 1938, the co-op had 117 miles of line to serve 281 members.

By 1939, the average member used about 40 kilowatt-hours (kWh) per month at an average cost of approximately 6 cents per kWh. Today, Firelands Electric has 997 miles of line to serve more than 9,300 members and the average residential member uses around 1,200 kWh per month at an average cost just over 16 cents per kWh.

A lot has changed at our cooperative over the past 90 years, but our core values of integrity, accountability, innovation, and commitment to community remain the same.



ENERGIZING YOUR FUTURE — THE COOPERATIVE DIFFERENCE

Firelands Electric is working hard to meet the needs of our existing and future members. We're not only working hard; we're working smart. Your cooperative continues to use innovative technology to improve reliability.

While many of these enhancements make our jobs quicker and easier, we also maintain the level of service you've grown to expect from your cooperative. Firelands Electric has actual people, not an automated phone system, available to assist you 24 hours a day, seven days a week. These knowledgeable member service representatives can assist with payments, dispatch reported outages, and help you with dozens of other requests. We pride ourselves on having an actual person assist you, not an automated machine.

While much has changed in the electricity business, very little has changed in the heart of the cooperative model. We are still owned by our members, and because of this, we are invested in the communities we serve. We support local youth programs, county fairs, and festivals. We invest in economic development to help improve the lives of our members. We work with our cities, towns, elected officials, and more to make sure we provide the power our members need to live the lives they want today and into the future. We are an active participant in the task that improve your life and that will enrich the lives of your children and grandchildren.

We are proud of our powerful past and to have served our communities and rural areas for 90 years. We look forward to a bright future of meeting our members' needs.



Carl Bruce
FIRELANDS ELECTRIC TRUSTEE
1939 – 1999

*His dedication and
pursuit of excellence laid
a foundation for the
cooperative we have today.*



BUILDING A LEGACY

While commonplace in urban areas, most rural Americans didn't have access to electricity in the 1930s.

In fact, at the beginning of the decade, only about one in ten farmers had electric service. The people living in Huron, Ashland, Richland, and Lorain counties were no exception. As the invention and use of electric-driven equipment and appliances grew, so did people's need for electricity. Investor-owned utilities didn't see any profit to be made from building their systems out to reach these far-flung homes and farms, however. As a result, rural Americans would continue to lack access to electricity.

All of this would change when President Franklin D. Roosevelt created the Rural Electrification Administration (REA) in 1935. The organization, and the Rural Electrification Act that followed in 1936, would pave the way for citizens to take matters into their own hands. Funding would now be available to help rural Americans create their own power companies. The result would be the development of electric cooperatives — including the birth of Firelands Electric Cooperative.

May 11, 1935



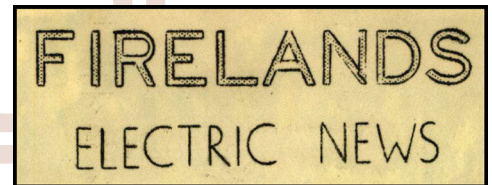
President Franklin D. Roosevelt created the Rural Electrification Administration. The goal was to provide funding to bring electricity to rural America.

December 1937

Trustees mapped out the territory to be served by the newly formed electric cooperative.

Jan. 29, 1938

The name was officially changed to Firelands Electric Cooperative, Inc.



May 22, 1936

Incorporation papers were filed under the name of North Eastern Farm Bureau Electric Cooperative, Inc.

May 28, 1936

The first meeting of the cooperative and formal election of officers took place.



March 16, 1938

Application for Membership *and* Subscription for Service
in

No. Eastern Farm Bureau Rural Electric Cooperative, Inc.



In 1942, Firelands purchased the New London Power and Light Company (below). The cooperative's office then moved to 3 East Main Street, New London (above), in 1943.



Feb. 1, 1938

The USDA's REA approved the initial loan for \$100,000. Firelands would use these funds to build its first 100 miles of power lines.

August 1938

The first 100 miles of power lines were known as Project A. Located between North Fairfield and Plymouth East Road, they were energized in August 1938.

1942 and 1943

1948



In 1948, the office in New London was moved to newly converted space in the building off Prospect Street, which had been purchased to serve as a warehouse in 1943.



June 14, 1976

A new building was constructed near the existing one in 1976. Offices were moved here, while operations remained in the old building.

Firelands' original office on Wooster Street in Norwalk was relocated to the Lippert Building in North Fairfield.



Firelands Electric made the final payment to REA on its original \$100,000 loan, which was taken out in 1938.

June 1, 1962

Jan. 17, 2019

Firelands Electric Cooperative moved into its new, all-in-one facility at 103 Industrial Drive, just west of New London.



MANAGEMENT



DON ENGLT
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



Phil Pickering
Working Foreman



Stephanie Schmidt
Consumer Services &
AMI Coordinator



Rob Swiger
Engineering Operations
Coordinator



Cindy Thompson
Accountant



Jake White
Apprentice Lineman



Matt Whiteside
Journeyman Lineman

AND 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



Jessica Schwanger
Part-Time Consumer
Services Representative



Robert Shepherd
Lead Lineman



Dave Sumpter
Lead Lineman



Jake Willbond
Journeyman Lineman



Melissa Wilson
Engineering & Operations
Data Coordinator



Melissa Zacharias
Accounting Clerk



FINANCIAL HEALTH

COMPARATIVE BALANCE SHEET

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

UTILITY PLANT

Electric plant in service

Construction work in progress

Less: Accumulated provision for
depreciation and amortization

Net Utility Plant

	2025	2024
	\$ 64,639,297	\$ 59,368,521
	2,957,555	3,720,886
	67,596,852	63,089,407
	(22,345,620)	(22,024,184)
	45,251,232	41,065,223

NON-CURRENT ASSETS

Investments in associated organizations

Deferred charges

Total Non-Current Assets

	10,236,766	10,107,060
	41,488	17,617
	10,278,254	10,124,677

CURRENT ASSETS

Cash and cash equivalents

Accounts receivable, consumers and

other, less allowance for doubtful
accounts of \$270,866 (\$258,589 in 2024)

Materials and supplies

Accrued utility revenues

Other current and accrued assets

Total Current Assets

	2,824,227	1,131,500
	2,339,775	2,076,804
	732,326	938,260
	615,957	531,778
	805,977	440,164
	7,318,262	5,118,506

Total Assets

	\$ 62,847,748	\$ 56,308,406
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ASSETS

MEMBERS' EQUITIES

Memberships

Patronage capital

Other equities

Total Members' Equities

	\$ 22,898	\$ 23,758
	26,917,013	24,526,635
	2,385,569	2,223,683
	29,325,480	26,774,076

NON-CURRENT LIABILITIES

Long-term debt

	28,865,606	24,977,268
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CURRENT LIABILITIES

Current portion of long-term debt

Accounts payable

Consumer deposits

Accrued taxes

Other current and accrued liabilities

Total Current Liabilities

	1,242,598	1,140,253
	1,535,530	1,673,533
	385,831	346,266
	952,860	899,650
	539,843	497,360
	4,656,662	4,557,062

Total Members' Equities & Liabilities

	\$ 62,847,748	\$ 56,308,406
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EQUITIES & LIABILITIES

STATEMENTS OF REVENUE & EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUE	\$ 28,031,474	\$ 24,606,828
OPERATING EXPENSES		
Cost of power	14,793,759	13,796,475
Distribution expense - operations	1,830,851	1,632,935
Distribution expense - maintenance	2,678,160	2,372,628
Consumer accounts	938,582	867,474
Administrative and general	1,529,376	1,513,105
Depreciation and amortization	1,985,036	1,852,204
Taxes	527,991	513,463
Total Operating Expenses	24,283,755	22,548,284
Operating margins before fixed charges	3,747,719	2,058,544
Interest on long-term debt	979,422	844,649
Operating margins after fixed charges	2,768,297	1,213,895
Patronage capital assigned by associated organizations	634,265	426,627
Net Operating Margins	3,402,562	1,640,522
NON-OPERATING MARGINS		
Interest income	72,927	85,303
Gain on sale of assets	18,358	3,283
Other income (expense)	(35,551)	(31,679)
Total Non-Operating Margins	55,734	56,907
Net Margins for Period	\$ 3,458,296	\$ 1,697,429
PATRONAGE CAPITAL & OTHER EQUITY		
Net Margins	\$ 3,458,296	\$ 1,697,429
Beginning of Year	24,526,635	23,886,836
Subtotal	27,984,931	25,584,265
Retirement of Capital Credits and Other Adjustments (Net)	(1,067,918)	(1,057,630)
Patronage Capital & Other Equities End of Year	\$ 26,917,013	\$ 24,526,635

MARGINS & EXPENSES

EQUITY

The accounts of your cooperative for the years ended December 31, 2025 and 2024, 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.

service with purpose

90

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative

YEARS

Firelands Electric Cooperative, Inc.

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