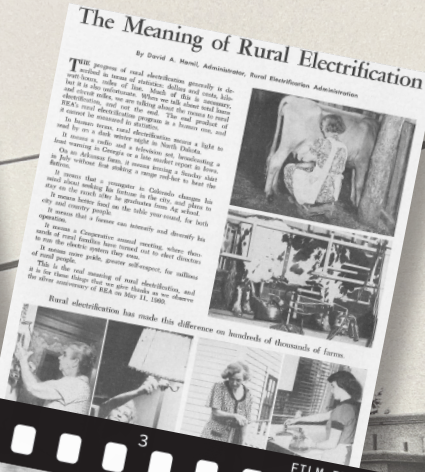


CELEBRATING

90

Years

OF SERVICE



A Legacy OF POWER



A Future OF CONNECTION



FAST Internet



RELIABLE Service



LOCAL Support



paulling putnam ELECTRIC COOPERATIVE, INC Your Touchstone Energy® Cooperative

2024 ANNUAL REPORT

CELEBRATING 90 YEARS:

A LEGACY OF POWER, A FUTURE OF CONNECTION

2024 ANNUAL REPORT TO THE MEMBERS



Randy Price
PRESIDENT AND CEO



Joe Kohnen
BOARD CHAIRMAN

Dear members,

As Paulding Putnam Electric Cooperative (PPEC) approaches its 90th anniversary in 2025, we celebrate nearly a century of providing essential services to our community. Founded in 1935 to bring electricity to areas others overlooked, PPEC continues to fill critical needs. Today, we are preparing to offer high-speed fiber internet, ensuring our members remain connected to the future.

This new service, launching in late 2025, reflects our commitment to improving the quality of life for our members, much like electrification did 90 years ago. It will transform lives by empowering remote workers, businesses, educators, healthcare providers, and families in rural and suburban areas.

2024 Recap: Investing in Reliability and Connection

Strengthening Our System:

In 2024, we adjusted our rate schedules due to increasing costs and invested \$4 million in system improvements to ensure continued reliability. Highlights include:

- Rebuilt 35 miles of copper lines to replace aging infrastructure.
- Installed and upgraded sectionalizing equipment to isolate faults and prevent larger outages
- Rebuilt the Baseline Substation.

- Tested 4,000+ poles in Adams and Allen Counties in Indiana, replacing more than 279 rejected poles.
- Completed underground line extensions into new subdivisions in New Haven, Indiana – our fastest-growing area.



Preparing for Fiber Internet:

The July 2024 board meeting marked a unanimous decision to launch fiber internet service. The electric and fiber sides of the business will remain separate, but all members will see the benefit of improving our electric grid with faster outage restoration, precise meter data, future renewable energy applications, and reliable connectivity to homes and businesses.

Residential and commercial members who are currently underserved and who express interest will be the priority for connection. PPEC has nearly 14,000 members across seven counties in NW Ohio, and NE Indiana, so it's key to note that our service may not be available to everyone, depending on interest and financial feasibility.

Design and engineering are currently underway. By late 2025, the first member should have internet service from PPEC. We aim to complete our member system by 2028; building out to non-members may take as long as 2030. Other unforeseen factors may impact these plans, but the co-op will keep the public informed via our website, magazines, email newsletters, and social media.

Key Staff Changes

To support our growth, expand our services, and enhance operations, PPEC welcomed new team members and celebrated promotions in 2024:

- **Promotions:** Nick Eltzroth (Chief Operating Officer), Stacy Morrison (Director of HR and Administration), Rob Weisenburger (Engineering Supervisor), and John McMaster (Line Supervisor).
- **New Hires:** Renee Hull (Chief Financial Officer), Chris (C.J.) Gaskill (Broadband OSP Manager), Jeff Noggle (GIS Technician), David Taylor (Apprentice Lineman), and Austin Wisner (Lineman).
- **Position Changes:** Employees like Zak Kauser (Staking Technician), Josh Smith (Warehouse Coordinator), Barb Rife (E&O Coordinator), Jamie Mericle (Member Service Rep), and Peter Niagu (Business Development & Key Accounts Coordinator) have taken on new roles, while others completed major milestones, such as Adam Drummelsmith and Mike Taylor earning their journeyman lineman certifications. Maddy Lamb also came onto the team full-time as our marketing specialist.

Engaging with Our Members

In 2024, we gave back to our community and celebrated milestones that brought members together, helped them save, and provided access to new opportunities:

- **Member Appreciation Day:** Over 2,700 members and families enjoyed a free day at the Fort Wayne Children's Zoo to meet our staff and learn about our programs.
- **Political Action Dinner:** More than 300 members and guests attended our PAC dinner featuring Rep. Jim Jordan and local lawmakers discussing energy challenges.
- **Community Involvement:** We collected 80 winter coats for local schools and hygiene items for veterans, performed safety demonstrations for more than 500 students and emergency responders, hosted job shadowing students, and participated in area parades, food drives, and clean-up days.
- **Operation Round Up:** Over \$50,000 was donated to local organizations, and members were given a new option to donate their capital credits to this program and make a difference.



- **Scholarships:** We revamped our scholarship program, increasing awards by nearly \$5,000 and introducing new opportunities for non-traditional and technical students. Today, we give more than \$10k to support continued education, local passion, and empowering the next generation.
- **Electric Vehicles:** We introduced a new \$200 rebate for level 2 EV chargers and added resources on our website for charging considerations and possible electric rate updates.
- **Capital Credits:** Perhaps the biggest perk of co-op membership, we paid back \$2 million to members in patronage cash back. This equity retirement appeared as a credit on your electric bill received in December or was mailed to former members as a check.

Looking Ahead to 2025

As we prepare to celebrate our 90th anniversary, PPEC remains focused on delivering value to members. Our legacy is built on trust, innovation, and community, and we are proud to continue evolving to meet your needs.

Thank you for being part of our cooperative family. Together, we are building a legacy of power and a future of connection.

Randy Price

RANDY PRICE, PRESIDENT & CEO

Joe Kohnen

JOE KOHNEN, CHAIRMAN OF THE BOARD



CELEBRATING
90
Years
OF SERVICE



2024 TREASURERS REPORT



Your cooperative continued to operate strong in 2024. Kilowatt-hour purchases and sales increased slightly over last year by about 3% each. While most of 2024 saw milder temperatures, the cold snaps in January and December leveled out annual results and we are happy to report that our financial goals were still achieved. Total margins exceeded \$3.3 million and were above budget by \$149,000, or 4.6%. As expected during 2024, the cost of power increased, which was partially offset by the rate increase passed along to you in May. Most other operating and fixed expenses came in right near budget. Management and employees did an outstanding job managing expenses during the year.

The most significant expense, wholesale purchased power from Buckeye Power, averaged just over 8.5 cents per kilowatt-hour (kWh). This is an increase of about 8.4% over prior year. That said, we were able to hold off on passing along any Wholesale Power Cost Adjustment (WPCA) on all member bills beginning in June and still meet budgeted margins.

Transmission costs continued to rise during 2024 and are forecasted to continue on that path in the foreseeable future. Power plant retirements, as well as the growing electricity demand are the primary drivers of these increases. The transmission facilities in our regional footprint are continually being analyzed to ensure the systems are available and resilient.

During 2024, the supply of materials became more readily available and lead times finally began to decline towards more reasonable levels. While lead times are still above historical averages, especially on items such as transformers, we are able to plan appropriately by working with our suppliers and adjusting our purchasing plans.

Your cooperative is committed to rebuilding and replacing old lines and electric facilities, as well as supporting growing communities throughout our territory. We connected 233 new services in 2024, which is nearly a 14%



TIM DERCK
BOARD SECRETARY-TREASURER

increase over prior year – 60% of these being in New Haven, Indiana. Total Utility Plant in Service, which consists of all of the coop's assets in service, such as poles, conductors, transformers, etc., increased by almost \$7M million from prior year. This is the largest investment in Plant since 2020 when we rebuilt the Cecil substation.

Since PPEC is a not-for-profit co-op that operates at-cost, any profit made in the year is returned to members as capital credits. In 2024, PPEC returned \$2 million in capital credits to over 23,500 current and former members.

I am proud to be a part of your cooperative's continued growth and financial strength that has been demonstrated for nearly 90 years. PPEC remains focused on providing a safe and reliable system, all while managing its costs to ensure we can meet the current and future needs of our cooperative members. The accounting firm of Bashore, Reineck, Stoller, and Waterman, CPA's (BRSW) has audited the financial records of the cooperative as of December 31, 2024. The audited financial statements may be reviewed at the office during regular business hours.

Tim Derck

SECRETARY - TREASURER

STATEMENT OF OPERATIONS

UNAUDITED

For the year ending Dec. 31, 2024

Revenue:	
Sales of Electricity	\$49,701,942
Interest Income	\$202,397
Other Income	\$18,738
Capital Credits	\$1,011,961
Total Revenue	\$50,935,038
Expenses:	
Cost of Purchased Electricity	\$32,708,663
Cost of Maintenance on Lines, Poles, Rights-of-Ways, etc.	\$3,424,775
Cost of Billing and Consumer Records	\$710,504
Cost of Member Services	\$667,405
Cost of Administration and Office Operations	\$2,906,288
Depreciation Expense	\$3,949,676
Business Taxes	\$1,277,919
Interest on Long-Term Debt	\$1,684,069
Interest on Current Debt	\$224,127
Total Expenses	\$47,553,426
Net Patronage Capital or Margins	\$3,381,612



*One of our Seven
Cooperative Principles*

Economic Participation

As a co-op, PPEC is upfront and transparent with its member-owners about finances. Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the co-op.

Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Capital credits are retired each year based on each member's patronage. This decision is made by the PPEC Board of Trustees, again, elected democratically by the membership.

BALANCE SHEET

UNAUDITED

For the year ending Dec. 31, 2024

Plant Property and Investments:	
Total Plant	\$128,104,262
Construction work in progress	\$4,436,937
Accumulated Depreciation	\$(28,825,862)
Net Plant	\$103,715,337
Investments:	
Invest. in Assoc. Org. - Patronage Capital	\$19,731,295
Associated Organization	\$3,029,574
Total Plant and Investments	\$126,476,206
Current Assets and Debits:	
Cash	\$869,909
Temporary Investments/Special Deposits	\$1,220,273
Receivables	\$3,771,662
Merchandise Inventory	\$975,633
Other Current Assets	\$391,113
Total Current Assets and Debits	\$7,228,591
Deferred Debits	\$-
Total Assets and Debits	\$133,704,797

Liabilities and Equity

Current Liabilities and Credits:	
Accounts Payable	\$5,922,215
Short-term Notes Payable	\$3,870,280
Consumer Deposits	\$159,476
Other and Accrued	\$2,200,372
Total Current Liabilities and Credits	\$12,152,343
Noncurrent Liabilities and Credits:	
Long-term Debt	\$42,672,348
Deferred Liabilities and Credits	\$316,372
Total Liabilities and Credits	\$55,141,063
Equity:	
Operating Margins Prior/Other	\$5,878,018
Memberships	\$60,033
Patronage Capital	\$72,625,683
Total Equity	\$78,563,734
Total Liability and Equity	\$133,704,797

Please note these financial reports are pre-audit, due to printing time constraints. A complete copy of the audit report as presented by the firm of Bashore Reineck Stoller & Waterman, Inc., certified public accountants of Paulding, Ohio, is available for examination at the cooperative's office during normal business hours.



PAULDING PUTNAM ELECTRIC CO-OP

2024 Official Annual Meeting Minutes — March 23, 2024

The 88th Annual Meeting of Members was held at Paulding Putnam Electric Cooperative, Inc. headquarters building, Paulding, Ohio. Mr. Steve McMichael, Board Chairman, called the meeting to order at 10 a.m. The meeting was held as a virtual/video conference broadcast on the internet via Facebook Live and YouTube.

Chairman McMichael began the meeting by reciting the Pledge of Allegiance.

Chairman McMichael noted the meeting notice had been mailed to all members in the February issues of Ohio Cooperative Living (Ohio) and Indiana Connection (Indiana), which contained the meeting agenda. He stated he was dispensing with the reading of the notice as it had been certified as mailed to all members. He stated the agenda would be approved as mailed.

Chairman McMichael noted the minutes to the meeting held on March 18, 2023 had been mailed to all members in the same magazine issues. He dispensed with the reading of the minutes, as they were certified as mailed to all members and would stand approved as mailed.

Mr. Timothy Derck gave the Treasurer's Report. He stated his written report appeared in the Cooperative's Annual Report and members could obtain a copy at the office or review the audit report upon request. Mr. Derck shared the Cost of Service Study process and the upcoming rate increase. He further stated the audited financial report was completed by the local firm of Bashore, Reineck, Stoller & Waterman.

Chairman McMichael introduced a video message given by Patrick O'Loughlin, President and CEO of Buckeye Power and Ohio's Electric Cooperatives. Chairman McMichael discussed the Annual Meeting theme, "Unmatched Value," and related how the Cooperative and its employees provide an unbeatable return for the members' investment. He discussed several areas of operations and thanked the employees and board members for their diligent efforts during another challenging year. Chairman McMichael informed the audience of the upcoming Member Appreciation event to be held on August 3, 2024, at the Fort Wayne Children's Zoo and to look for additional details regarding the event.

Mr. Randy Price, President and CEO, gave the President's report, touching on new services, service upgrades, line rebuilds and pole replacements. Mr. Price reviewed several areas of operations, including the successful 2023 member appreciation day and maintenance activities, including upgrades to multiple substations. He also gave a detailed review of the upcoming rate increase, effective in May, including the increased power costs and impact to the average member's bills. Mr. Price expressed his gratitude to everyone for the continued support, sharing that PPEC

remains committed to serving members with integrity, reliability, and excellence.

Mr. Price announced the winners of the cooperative's scholarship program:

- Chelsea Erford, Miller City H.S., \$1,000
- Corinne Bowers, Heritage High School, \$1,000
- Jacob Kitson, Van Wert High School, \$800
- Ashlyn Siefker, Ottawa Glandorf H.S., \$800
- Madison Hoersten, Ottoville High School, \$600
- Annabelle Welch, Fort Jennings H.S., \$600
- Jamy Hunt, Paulding High School, \$600 At-Large

Chelsea Erford is the first-place overall winner and will go on to Columbus to compete statewide for additional scholarships.

Mr. Price noted that PPEC selected two delegates to attend Youth Tour in 2024. Isabella Pittman from Miller City High School and Mallorie Maag from Ottawa Glandorf High School will be traveling to Washington, D.C. in June.

Mr. Brian Gorrell, Paulding Putnam Electric Cooperative's Attorney, was called upon to present the election results. He stated there were no changes to the Code of Regulations for this year.

Three districts (3, 7, and 8) were up for election: Trustees Tim Derck (District 3), Ken Niese (District 7), and Adam Schnipke (District 8) all submitted petitions for re-election; no other petitions were received. Thus, all trustees were re-elected by affirmation.

Chairman McMichael said there was no Old Business.

Chairman McMichael mentioned a few New Business items. Due to recent growth in Indiana, Paulding Putnam's board of trustees has approved a redistricting initiative. Members affected with the redistricting will see this on their March bill. He also shared that the cooperative is now offering a new way for members to reinvest their annual capital credits patronage by allocating it to charitable giving through Operation Round Up or legislative efforts via America's Electric Cooperatives PAC.

There being no further business to come before the meeting, Chairman McMichael declared the meeting adjourned.

PPEC REFLECTS ON YEAR-END GROWTH WITH STAFF CHANGES

High-speed internet deployment, workforce development a top priority in 2025

Paulding Putnam Electric Cooperative has experienced remarkable growth in 2024, positioning itself for a stronger future as it prepares the multi-year deployment of high-speed fiber internet service in late 2025. This growth has been driven by a dedicated investment in leadership, local workforce development, and member-focused initiatives that improve quality of life.

“In 2024, we’ve laid the groundwork for an exciting future,” said PPEC President and CEO Randy Price. “From recruiting and promoting top local talent to refining our culture and services, we are laser-focused on delivering value to our members. As we prepare to provide high-speed internet alongside electricity, we must prioritize that our cooperative

has the right local people and tools in place to make this additional service seamless and impactful.”

Preparing for the Future

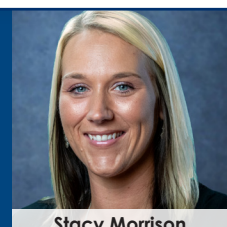
PPEC is not only focused on today’s needs but is also actively investing in a future that will benefit the next generation. The upcoming launch of high-speed internet will bring transformative benefits to the region.

“High-speed internet is not just a convenience; it’s a necessity for education, work, and quality of life,” Price said. “We are preparing to ensure every member has access to reliable service that meets their needs.”

PROMOTIONS



Nick Eltzroth
(Fort Wayne, IN):
Promoted to
Chief Operating Officer



Stacy Morrison
(Defiance, OH):
Promoted to
Director of HR and
Administration



Rob Weisenburger
(Oakwood, OH):
Promoted to
Engineering Supervisor



John McMaster
(Paulding, OH):
Promoted to
Line Supervisor

NEW HIRES



Renee Hull
(Cecil, OH):
Chief Financial Officer



Chris (C.J.) Gaskill
(Defiance, OH):
Broadband
OSP Manager



Jeff Noggle
(Fort Wayne, IN):
GIS Technician



David Taylor
(Hicksville, OH):
Apprentice Lineman



Austin Wisner
(Cloverdale, OH):
Lineman

POSITION CHANGES



Zak Kauser
(Paulding, OH):

Took on the role of Staking Technician and is completing additional training.



Barb Rife
(Paulding, OH):

Transitioned to Engineering and Operations Coordinator.

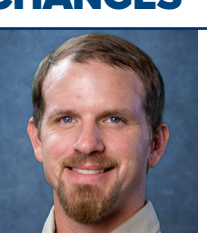


Adam Drummelsmith
(Leipsic, OH):

Graduated from the Central Ohio Lineworker Training (COLT) program, becoming journeyman linemen. This hands-on coursework took four years to complete with on-the-job training.



Mike Taylor
(Paulding, OH):



Josh Smith
(Antwerp, OH):

Assumed the role of Warehouse Coordinator, assisting with inventory management.



Peter Niagu
(Payne, OH):

Transitioned to Business Development and Key Accounts Coordinator, managing key accounts, renewable energy, and energy advising. Niagu recently earned his Certified Key Account Executive certification.



Jamie Mericle
(Paulding, OH):

Added accounts payable duties to her role, which also includes member service. Won the Q2 Rockstar Employee Award.



Maddy Lamb
(Van Wert, OH):

Transitioned from part-time to full-time Marketing Specialist, expanding her duties to include youth programs and cross-training

2025 ANNUAL MEETING BROADCAST AGENDA

Saturday, March 22, at 10 a.m. via Facebook and YouTube

1. Call to order..... *Board Chairman Joseph Kohnen*
2. Approve minutes from last year..... *Board Chairman Joseph Kohnen*
3. Treasurer's report..... *Board Secretary-Treasurer Tim Derck*
4. Chairman's report..... *Board Chairman Joseph Kohnen*
5. President's report..... *CEO Randy Price*
6. Trustee election results..... *CEO Randy Price*
7. New/old business
8. Adjourn

