

# BUILDING WHAT'S NEXT TOGETHER

2025 ANNUAL REPORT



*From Power Lines to Fiber Lines — We're Building for Your Future.*



**PAULDING PUTNAM**  
ELECTRIC & INTERNET

A legacy of  
**POWER.**



A future of  
**CONNECTION.**

# BUILDING WHAT'S NEXT

## 2025 PRESIDENT'S AND CHAIRMAN'S REPORT – PAULDING PUTNAM



**Randy Price**  
PRESIDENT AND CEO



**Adam Schnipke**  
BOARD CHAIRMAN

**D**ear Members,  
As we reflect on our 91-year journey as a co-op, we are reminded of our enduring legacy: a foundation built by rural visionaries in the 1930s who dared to light up the countryside when others wouldn't. Today, that same spirit drives us forward, evolving from power lines to fiber lines as we invest in reliability, connection, and community. In 2025, we laid critical groundwork, and in 2026, we're accelerating our efforts to ensure your cooperative remains a pillar of strength for generations to come. Our tagline, "A legacy of power, a future of connection," has never felt more alive, especially as we partner in the vibrant growth across Paulding, Putnam, Van Wert, and Allen counties in Ohio and Indiana.

### 2025 Recap:

Last year, 2025, was a testament to our commitment to building reliability, building connection, and building community. We invested \$4 million in system improvements, including rebuilding 20 miles of aging copper lines and replacing poles, directly enhancing service stability for thousands of members.

We also unveiled our refreshed brand identity at Member Appreciation Day in July, symbolizing our modern evolution and addition of fiber internet service while honoring our roots.

On the fiber front, we made tremendous strides, constructing over 300 miles of mainline fiber and gearing up for our first member connections by fall — delivering high-speed internet to areas of Paulding County, including Paulding, Payne, Haviland, and Scott.

These accomplishments weren't just milestones; they were deliberate steps in hardening our infrastructure against challenges, from volatile energy markets to growing demands, all while keeping rates competitive — our residential rate remains 12.9 cents per kWh, below regional medians.

### Looking Ahead

Building on this momentum, 2026 marks a bold leap forward. We're more than doubling our reliability investments from last year's \$4 million to \$8.4 million, focusing on upgrades that reduce outage durations, bolster backfeeding capabilities, and prepare for future capacity needs for area businesses. This isn't just spending; it's strategic investment in building what's next — supporting the exciting community and economic growth we're seeing right here at home.

In Paulding County, our investments align with major opportunities like the Ohio Site Authenticated 53-acre Paulding Industrial Park (ready for development with utilities in place), brownfield redevelopment at the former Grizzly Brake site (including future solar potential), and progress on an 89-acre site in Antwerp for potential residential and hotel development — efforts that earned our county recognition at the SelectUSA Foreign Direct Investment Summit in Washington, D.C.

In Putnam County, we're energized by the new 70-acre industrial site in Ottawa (with infrastructure financing underway for roads, utilities, and more) and early talks for a 30-acre business park in our territory, plus dozens of new housing lots in Ottawa — all helping fuel local expansion.

Across the border in Allen County, Indiana, growth continues with Fort Wayne's tech and data sector advancements — including Google's now-operational \$2 billion data center campus, alongside business development and upcoming attractions like the Fieldhouse at The New Haven District.

These local successes highlight why we invest so heavily: Reliable power and expanding fiber connectivity enable businesses to grow, families to thrive, and

communities to build brighter futures — without compromising the affordability and service our members deserve.

We refuse to "do things how we've always done them." We must adapt to meet the membership's future needs, protecting you from rolling blackouts and the price fluctuations from demand peaks we saw this winter. Our efforts include comprehensive system inspections starting in April, pole replacements, and more aggressive vegetation management across key circuits with trusted new partners like Tree Servants and GridGuards.

### Data Centers

Regarding interest in data centers in our region — many of you may have heard about growing inquiries from data center developers in northwest Ohio and across the state. Data centers are large facilities that store and process vast amounts of digital information, including cloud services, streaming, and AI tools, and they require significant electricity to operate.

If pursued carefully and correctly, a well-managed data center load in a cooperative territory like ours could help spread shared grid costs across more energy usage, potentially even lowering rates for all members — much like adding a large, reliable customer to a family farm operation that helps cover fixed costs without overburdening existing ones. The key is ensuring any such development includes firm long-term commitments, appropriate rates that cover their full share of grid costs, and funding for any necessary new infrastructure or generation — so existing members are never asked to subsidize it.

Through Buckeye Power, our generation and transmission partner, we have the generation assets today to reliably serve all our current member needs, even in extreme weather. Buckeye Power will not add new loads or invest in additional generation without full commitments from the new load to cover those costs.

As a co-op, we must serve any qualifying customer in our territory, including large

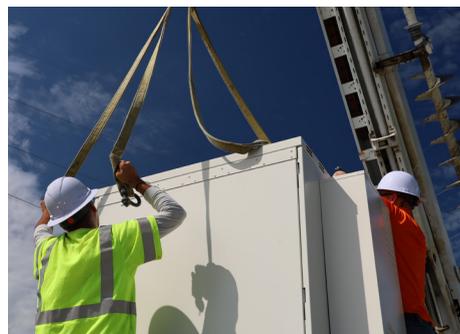


loads like data centers if they locate here. Rest assured: We will always prioritize member affordability, reliability, and our core cooperative values — enforcing strict safeguards so no new load raises rates or risks service for existing members.

### Areas of Focus

Safety remains our highest priority, and we're raising the bar with our new "3C's" campaign: Compliance, Competence, and Commitment. This initiative emphasizes rigorous training — including our four-year lineworker apprenticeship at the Central Ohio Lineworker Training facility.

We're also upgrading substations: expanding Herb Monroe substation to meet rising demands, planning a full Convoy substation rebuild for 2027, and testing facilities in Van Wert, Hessen, Kalida, and Antwerp. As data centers emerge as potential opportunities, we're strategically evaluating them to align with your needs, ensuring any growth benefits our membership without compromising service.



### Fiber, Construction & Member Service

Separate from our electric finances — and without impacting your rates — our fiber internet deployment continues. With more than 500 miles built to date and plans for 1,500+ total mainline miles, we're expanding to new areas of Putnam and Van Wert counties this year, including Kalida, Columbus Grove, Miller City, and Convoy. Service is already available in Ottoville, Fort Jennings, and other areas, including villages like Grover Hill.

Excitingly, we've been preliminarily awarded BEAD funding to connect about 2,200 homes in northwest Ohio and northeast Indiana. We'll keep you informed as details solidify, but rest assured: This is about bridging the digital divide for the 70% of our members who remain unserved or underserved, just as we did with electricity nearly a century ago.

We're also modernizing how we serve you. Our Paulding headquarters expansion, underway with CME Construction, will wrap up by summer, providing space for our growing team and fiber operations. We've consolidated operations from Columbus Grove to Paulding for greater efficiency. Look for our redesigned website this spring, packed with fiber details and mobile-friendly features, plus a new pre-pay billing option this fall for flexible energy management. And join us for events like Member Appreciation Day at the Fort Wayne Zoo on July 25 and our PAC legislative event on August 24 at the Wassenberg Art Center in Van Wert.

America's Electric Cooperatives PAC (formerly ACRE) is the federal political action committee of the nation's electric co-ops. Backed by more than 35,000 grassroots contributors with an average donation of just \$65 each, it supports candidates who speak for and protect the interests of electric cooperatives and their member-owners. Topics like data centers, renewable energy, pole attachments, and fiber deployment — these are all top of our mind when we meet with elected officials. I encourage you to consider joining our PAC — it's one of the most effective ways to ensure policies reflect the needs of communities like ours. Sign up online at [www.ppec.coop/PAC-signup](http://www.ppec.coop/PAC-signup).

Members, we're navigating growth and challenges together, just as our founders did. Thank you for your trust and partnership. Let's keep building what's next.

*Randy Price*

**RANDY PRICE, PRESIDENT & CEO**

*Adam Schnipke*

**ADAM SCHNIPKE, CHAIRMAN OF THE BOARD**





# 2025 TREASURER'S REPORT



TIM DERCK  
BOARD SECRETARY-TREASURER

In 2025, electric sales grew a solid 5%, crossing \$50 million for the first time in our 90-year history. Our biggest expense remains purchased power from Buckeye Power, at about \$33 million.

We maintain around 1,710 miles of power lines — that's enough to stretch from Paulding, Ohio, all the way to Yellowstone National Park in Wyoming. It's a huge system to keep reliable, but we know our members count on us every day for the energy they need. We want you to understand what goes into your bill and why bills are increasing.

We work hard to manage costs we can control, before we ever ask members to pay more for their energy. Your team has increased efficiency by exploring sourcing and supplier options, staff duties, and more. However, electric co-ops are not-for-profit organizations owned by the people we serve. Instead of taking a profit or loss, we work toward a zero-based budget by the end of each year.

Despite our efforts to shield you from cost increases, the cost of materials for poles, wires, transformers, and other equipment has risen sharply — most 25-50% this past year. These increases, combined with higher demand, have required additional borrowing and modest rate adjustments.

Specifically:

- The large power demand charge rose by \$6.50 per kW.
- The monthly flat residential and general service charge increased by \$3.50.

Our core residential electric rate remains steady at 12.9 cents per kilowatt-hour. For comparison, the average residential price for electricity in Ohio is 16 cents per kilowatt-hour, and the average in Indiana is 14.8 cents. Our rate is still below the median in both Ohio and Indiana.

The typical Paulding Putnam member pays about \$7 per day for electricity to power their home and life. That's less than the cost of a fast-food combo meal — a strong value in today's economy.

Rising costs aren't unique to us. From groceries to home mortgages, prices are up everywhere. Our borrowing costs increased just under half a percent due to market rates, adding roughly \$250,000 to our annual expenses. We monitor rates closely to keep that impact as small as possible.

Now, some exciting news! In 2025, we connected our first fiber internet subscribers.

The fiber internet division of Paulding Putnam is financially tracked separately from the electric division. It is a major financial undertaking, but one that we know will positively impact our bottom line in the long run. We're hearing great stories about how reliable high-speed internet is changing lives, from staying connected for work-from-home calls to enjoying family shows like PBS Kids with no buffering.

This reflects what your co-op has done since 1935: delivering essential services — electricity and now fiber internet — in the most reliable, affordable, and safe way we can.

I'm proud to serve on this board. We're navigating change, but we're growing stronger, more diversified, more reliable, and more engaged in our communities than ever before.

Please note that our independent auditors from BHM CPA Group in Columbus, Ohio, reviewed our 2025 financials and issued an unqualified opinion. In plain terms, that means they found no issues. Our books are clean and accurate. Our audited statements are available for review at the co-op office.

*Tim Derck*  
SECRETARY - TREASURER



# STATEMENT OF OPERATIONS

UNAUDITED  
As of Dec. 31, 2025

Revenue:	
Sales of Electricity/Fiber	\$52,525,904
Interest Income	\$111,568
Other Income	\$14,059
Capital Credits	\$1,661,708
<b>Total Revenue</b>	<b>\$54,313,239</b>
Expenses:	
Cost of Purchased Electric/Fiber	\$33,326,543
Cost of Maintenance on Lines, Poles, Rights-of-Ways, etc.	\$4,330,757
Cost of Billing and Consumer Records	\$890,440
Cost of Member Services	\$829,837
Cost of Administration and Office Operations	\$3,514,456
Depreciation Expense	\$4,206,879
Business Taxes	\$1,385,163
Interest on Long-Term Debt	\$2,054,027
Interest on Current Debt	\$564,890
<b>Total Expenses</b>	<b>\$51,102,992</b>
<b>Net Patronage Capital or Margins</b>	<b>\$3,210,247</b>



## One of our Seven Cooperative Principles Economic Participation

As a co-op, Paulding Putnam is upfront and transparent with its member-owners about finances. Members contribute equitably to, and democratically control, the capital of their cooperative. 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 may be retired each year based on each member's patronage. This decision is made by the Board of Trustees, again, elected democratically by the membership.

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 BHM CPA Group, certified public accountants of Columbus, Ohio, is available for examination at the cooperative's office during normal business hours.

# BALANCE SHEET

UNAUDITED  
As of Dec. 31, 2025

<b>Assets</b>	
Plant Property and Investments:	
Total Plant	\$136,281,156
Construction work in progress	\$18,589,222
Accumulated Depreciation	\$(29,583,086)
<b>Net Plant</b>	<b>\$125,287,292</b>
Investments:	
Invest. in Assoc. Org. - Patronage Capital	\$20,423,113
Associated Organization	\$2,981,625
<b>Total Plant and Investments</b>	<b>\$148,692,030</b>
Current Assets and Debits:	
Cash	\$3,927,561
Temporary Investments/Special Deposits	\$72,366
Receivables	\$5,501,011
Merchandise Inventory	\$4,964,781
Other Current Assets	\$440,520
<b>Total Current Assets and Debits</b>	<b>\$14,906,239</b>
Deferred Debits	\$ -
<b>Total Assets and Debits</b>	<b>\$163,598,269</b>
<b>Liabilities and Equity</b>	
Current Liabilities and Credits:	
Accounts Payable	\$7,087,363
Short-term Notes Payable	\$23,639,052
Consumer Deposits	\$153,300
Other and Accrued	\$2,473,766
<b>Total Current Liabilities and Credits</b>	<b>\$33,353,481</b>
Noncurrent Liabilities and Credits:	
Long-term Debt	\$48,386,573
Deferred Liabilities and Credits	\$315,716
<b>Total Liabilities and Credits</b>	<b>\$82,055,770</b>
Equity:	
Operating Margins Prior/Other	\$5,748,045
Memberships	\$58,233
Patronage Capital	\$75,736,221
<b>Total Equity</b>	<b>\$81,542,499</b>
<b>Total Liability and Equity</b>	<b>\$163,598,269</b>

# 2026 ANNUAL MEETING BROADCAST AGENDA

Saturday, March 28, at 10 a.m. via Facebook and YouTube

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

## PAULDING PUTNAM ELECTRIC CO-OP

### 2025 Official Annual Meeting Minutes — March 22, 2025

The Annual Meeting was held at Paulding Putnam Electric Cooperative, Inc. headquarters building, Paulding, Ohio. Mr. Randy Price, President and CEO, welcomed members and led the meeting with an invocation.

Mr. Joseph Kohnen, Board Chairman, called the meeting to order at 10:00 a.m. The meeting was held as a virtual/video conference. The meeting was being broadcast on the internet via Facebook Live and YouTube. Chairman Kohnen began the meeting by reciting the Pledge of Allegiance.

Chairman Kohnen noted the meeting notice had been mailed to all members in the February issues of Ohio Cooperative Living (Ohio) and Indiana Connection (Indiana) magazines, and this notice 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 Kohnen noted the minutes to the meeting held on March 23, 2024, had been mailed to all members in the same recent issue of the above magazines. He dispensed with the reading of the minutes as they were certified as mailed to all members and the minutes would stand approved as printed.

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 remarks on the overall cost of power and effects of the rate increase, hitting on the increasing rates of transmission. In 2024, Paulding Putnam returned over \$2 million in capital credits to its members. He further stated the audit was completed by the local firm of Bashore, Reineck, Stoller & Waterman.

Chairman Kohnen discussed the Annual Meeting theme as we celebrate 90 Years of Service: 'A Legacy of Power - A Future of Connection.' He shared that this investment in fiber internet will transform lives by empowering businesses, educators, healthcare providers, and families. The fiber network will also strengthen our electric grid for better reliability. Chairman Kohnen informed the audience of the upcoming Member Appreciation event to be held at Paulding Putnam headquarters on July 12, 2025. Watch for details, updates and more on our social media channels, website and monthly magazine.

Mr. Price introduced a video message given by Craig Grooms, President and CEO of Buckeye Power and Ohio Electric Cooperatives. Mr. Price shared the co-op's concern for the public and employees' drive to follow the standards

we use in designing and maintaining the distribution system, emphasizing that safety, reliability, and affordability will always be top priorities. He also shared that some of Paulding Putnam's staff volunteered to work for several weeks in North Carolina following Hurricane Helene's devastation. Mr. Price thanked the members and employees for their dedication to the cooperative.

Mr. Price welcomed Paulding Putnam's CFO Renee Hull to assist in announcing 2025 scholarship winners:

- Laney Hedrick of Ottawa-Glandorf will go on to Columbus to compete statewide for additional scholarships.
- At large winners include: Lillian Wyatt, Destiny Pier, Elizabeth Meyer, Leyna Nagel, Wesyn Ludwig, Nicholas Sinn, Morgan Hoersten, Allison Richman, Evan Crosby, and Rose Turnwald

The co-op selected two delegates to attend Youth Tour in 2025. Ella Crosby from Wayne Trace and Noah Brinkman 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.

Three (3) Districts (2, 4, and 5) were up for election: Trustees William Dowler (District 2), William Beckman (District 4), and Steven McMichael (District 5) all submitted petitions for re-election. District 5 was the only district with an additional member running for election, Stephan Poiry. Thus, Trustees Dowler and Beckman were re-elected by affirmation.

A contested election was held through Survey and Ballot Systems for the District 5 seat. After all eligible ballots were counted, incumbent Steven McMichael was re-elected to the board by the membership. Through this election, members voted on all four changes proposed to the Code of Regulations. All changes were approved by the membership.

Chairman Kohnen congratulated Mr. Dowler, Mr. Beckman, and Mr. McMichael for their re-election. Mr. Poiry was thanked for his willingness to run for the board and serve the members.

Chairman Kohnen said there was no Old or New Business.

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

# BUILDING NEW HIRES

*To support our enhanced operations and fiber internet growth,*

## PAULDING PUTNAM'S TEAM IS GROWING.

*These are the newest friendly faces you'll see lighting up your cooperative.*



**Sam Blair**  
Apprentice Lineman



**Eric Bennett**  
Broadband Staker



**Luke Burkhart**  
Broadband Services  
Coordinator



**Alan Cape**  
Operations Supervisor



**Sydney Coburn**  
Member Service  
Representative



**Drew DeCaire**  
Apprentice Lineman



**Nick Edwards**  
Broadband Technician



**Sierra Halter**  
Data Processing Clerk



**Ben Hicks**  
Right-of-Way &  
Easement Coordinator



**Matt Jay**  
Broadband Technician



**Ashley Justinger**  
Member Service  
Representative



**Hunter Kauser**  
System Engineer



**Harlee Moore**  
Engineering Intern



**Dave Phillips**  
Compliance &  
Safety Manager



**Megan Racster**  
Accountant



**Amy Thrasher**  
Custodian



**Gabe Upchurch**  
GIS Administrator



**Dustin Wehri**  
Network Engineer



**PAULDING PUTNAM**  
ELECTRIC & INTERNET



# BUILDING CONNECTIONS: FIBER INTERNET UPDATE



★★★★★  
 “This is a new era for us. We’ve always struggled with internet on the outskirts of town. Now the speed is incredible, and the glitches are gone.”  
 — Dennis & Tammy Clark

★★★★★  
 “We’ve always been happy with Paulding Putnam, so when they offered something new, we knew we could trust it.”  
 — Joe & Ellen Sukup

★★★★★  
 “It’s great knowing my internet comes from a place that’s member-focused and easy to reach if I ever have an issue.”  
 — Aric Mericle

**SCAN ME**  
 Learn More: [Fiber.PPEC.coop](http://Fiber.PPEC.coop)

All plans include free standard installation, fast symmetrical speeds, no contracts or hidden fees, local service, managed Wi-Fi with our PauldingPutnamIQ app, built-in cybersecurity, advanced device controls, and more!

*\*Numbers as of 3/9/26*