

## A Message from our CEO

Welcome to our 2025 Annual Meeting.

As I was preparing this report and reflecting on past events it became clear to me that the foundation of our organization's success is you our members, and the way we came together to help improve the quality of life for everyone in Northeast Indiana. By working collectively, we have pooled our resources under the Cooperative umbrella and made huge differences in the way we live, work and play.

The most recent example of this can be easily seen when we look at our Broadband Project. Prior to 2022 high speed internet and the modern conveniences it brings were hard to find outside the metropolitan areas, leaving rural Indiana and more specifically Steuben and our surrounding counties completely off the information highway. If this gap were to continue our quality of life and ability to compete economically would have suffered significantly. So, with a \$32 million investment, your Cooperative built a fiber optic system in just 18 months that can meet our data needs for generations and your support has been overwhelming. With nearly 56% of our members enrolled and 5 to 10 new service requests per week we have been able to outpace even our most optimistic forecasts. Even our financials are better than expected with nearly \$489,000 added to our consolidated margins last year.



**Kevin Keiser - CEO**

So, because of this involvement and in keeping with our not-for-profit business model I am excited to report that **we will be reducing our monthly fiber to the home rates** across the board. You see, we do not intent to play games with our pricing, our goal is to provide stable and competitive pricing, unlike some other area providers that offer low introductory rates just to increase them shortly after they got you to enroll. So, beginning in June our new prices will be: Silver Plan - **100 Mb / \$64.95— \$54.95**; Gold Plan - **500 Mb/ \$79.95 \$74.95**; Platinum Plan - **1 Gig/ \$99.95 \$94.95**; and a **NEW! Diamond Plan - 2 Gig/ \$119.95**.

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I am also excited to announce that in the coming months we will begin the process of evaluating and providing Fiber to the Home internet service to some underserved areas outside our cooperative territory. Our hope is to make sure everyone has access to high-speed internet service and the quality of life it brings, but we do not intend to duplicate infrastructure and add capital costs where it does not make sense. So, stay tuned, we hope to have more on this expansion soon.

Working collectively, you may recall is how your Cooperative started back in 1937 when the availability of electricity was a concern, and the rural areas of our country were left in the dark because the investor-owned utilities did not see any profit in serving such sparsely populated areas. Well together we have not only solved this problem, but we have become a primary catalyst too much of the economic development our region has enjoyed, and we strive to enhance the continuity and level of service we provide every year. And in 2024 we certainly accomplished this goal by extending nearly four miles of energized line to 172 new businesses and homes, which is our largest expansion in 21 years. We also were able to achieve a service reliability rate of 99.97%, which when we consider the frequency our region is hit by storms is quite an accomplishment and our employees deserve all the credit. It is because of their hard work and commitment to you that makes a difference, and I want to thank them for all of their efforts.

Another area where our members came together to make a difference was with our operation round-up program. Under this program 73% of members voluntarily have their electric bills rounded up to the nearest dollar each month. The pennies collected in this manner are then given back to non-profit and philanthropic organizations in our service area. Since the program began in 2004, we have given a very impressive \$900,000 back to our communities and I think we can all be enormously proud of this effort.

Financially, Steuben County REMC finished 2024 with \$1,614,000 in operating margins thanks in large part to an increase in operating revenues. This welcome improvement will be used to help rebuild our equity, cash flow and cover increased debt service responsibilities brought about by our investment in Broadband. The good news here is that we have already been able to turn the corner, and we are on the path to returning all three of these areas to more normal levels and more importantly we have accomplished this while still enjoying one of the most competitive retail rates in the state.

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Clearly, our collective efforts have served us well in the past, but given the scope and size of the capacity shortage we face in our country today it may take all 900 electric Cooperatives from coast to coast to come together to help make a difference. As we have mentioned in the past our national portfolio has seen a shift away from carbon-based generation units like coal and gas to wind and solar resources. While this may be good for carbon emissions these sources do not produce capacity at the same one-to-one level. The reason for this imbalance is due to renewables' inability to generate power every hour of the day and technology to store this energy simply has not caught up.

Adding to this challenge is the fact that our nation's demand for energy is growing significantly in part because of the development of Artificial Intelligence and internet usage. So, we will need new generation units and additions to the transmission system to meet this growing demand. The problem is that both will take \$100's of millions and years to build. So, there is no quick fix.

However, as daunting as this may sound, we have a proven method of success and with your continued involvement and support I am confident we will successfully meet this and all future challenges together as a Cooperative.