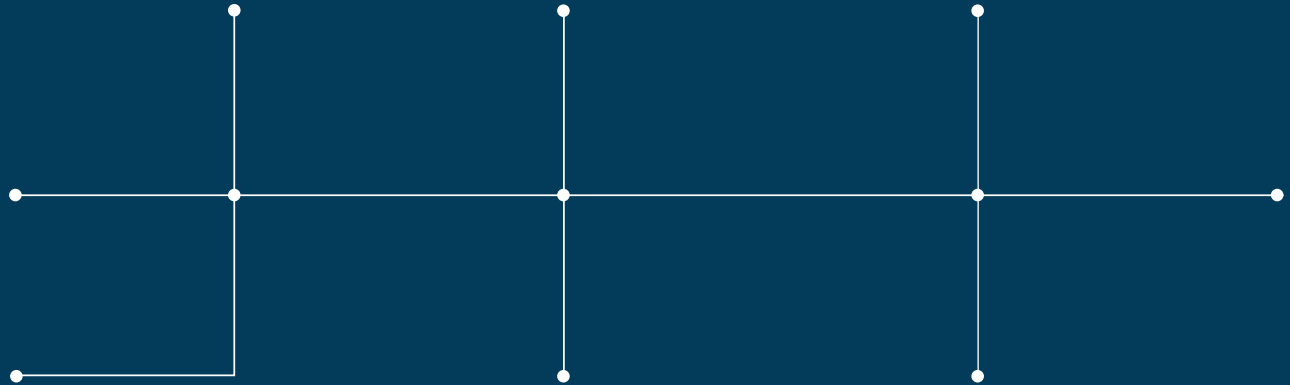




PEOPLE, POWER, PURPOSE – WE ARE FALL RIVER RURAL ELECTRIC COOPERATIVE



2024 Annual Report

Fall River Electric Cooperative



People. Power. Purpose.

We are Fall River Rural Electric

2024 Annual Report to the Members

People. Power. Purpose. These three words guide the decisions we make, the projects we complete, and the investment and plans we make for the future. They define not only what we do—but who we are.

We are Fall River Rural Electric Cooperative, committed to the communities we serve and to you, the owners and members of this great Cooperative.

Fall River is honored to report that 2024 was another year of significant progress, strong financial performance, and steadfast commitment to our mission. Thanks to the trust of our owner-members, the dedication of our employees, and the visionary leadership of your board, Fall River continues to lead the way in delivering safe, reliable, and affordable electric service—while staying laser-focused on the future.

PEOPLE: The Heart of Our Cooperative

Our members and employees are at the center of every success we celebrate. In 2024:

- We added 722 new electric services, reflecting the continued growth and vitality of the communities we serve.
- Our team completed nearly every site-specific job on schedule and made remarkable progress on our multi-year \$25 million transmission system upgrade.
- Over 30 scholarships, totaling more than \$80,000, were awarded to local youth—our investment in tomorrow's leaders.
- We collected over 12,000 pounds of food in our annual "Stuff the Trailer" food drive in partnership with our local high school students.
- And, thanks to our strong safety culture, including implementation of NRECA's "Commitment to Zero Contacts," we achieved zero lost-time accidents again.

Our people—our employees, board members, and members—are the strength of Fall River Electric.

POWER: Reliability You Can Count On

Our mission is simple: keep the lights on and your homes and businesses powered with dependable service.

Fall River's electric system achieved one of the highest reliability ratings in the region, and with the help of advanced technology like SCADA (Supervisory Control and Data Acquisition), we continue to improve both reliability, response, and restoration times.

We also made significant strides in long-term energy planning. Working closely with PNGC Power, we completed a comprehensive resource development plan and are developing a 10-year integrated resource strategy. This ensures that as demand grows, we can meet it with a responsible, affordable mix of reliable and renewable generation resources.

At the same time, Fall River Propane, your wholly-owned propane company, set records of its own: adding 779 new customers, delivering 4.8 million gallons of propane, and reaching record-high equity of 40%. This success provides valuable returns and price protection for our owner-members.

PURPOSE: Building the Future Together

John F. Kennedy shared wisdom that still applies today:

"We must think and act not only for the moment but for our time."

That's why Fall River is not just maintaining your electric system—we are building for the future:

Our strategic investments in infrastructure and material planning have resulted in a reliable low-cost Cooperative with the ability to position Fall River for the future.

We've expanded our educational outreach, including electrical safety demonstrations to hundreds of local students and interactive STEM activities that are available at our Energy Expo.

We've continued offering rebates and conservation programs that helped members save over 119,000 kilowatt hours of energy this past year.

Cooperative

The Cooperative is investing in new technologies with a recently implemented SCADA upgrade, the selection of a new Enterprise software solution from NISC, and significant investments in a transmission upgrade from Drummond to Macks Inn in Island Park. We are also working to construct a new substation in Teton County to plan for future load growth.

Through these efforts, we are not only meeting today's challenges—we are preparing to power our communities for decades to come.

Looking Ahead

In 2025 and beyond, we will continue to prioritize:

- System reliability in the face of changing climate and energy demands;
- Affordability, even as wholesale power costs rise;
- Resiliency, through upgraded infrastructure and evolving technology;
- And, member value, by keeping your Cooperative strong, local, and future-focused.

Together, we are more than a utility.

We are People. We are Power. We are Purpose.
We are Fall River Rural Electric Cooperative.

With deep appreciation for your trust and support,

Georg Behrens



Georg Behrens
Board President

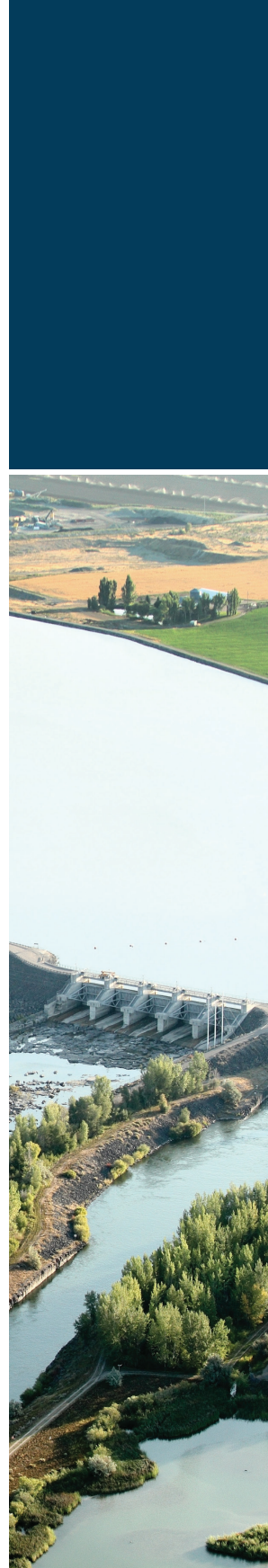
Bryan Case



Bryan Case
CEO/General Manager



These photos show the work done last year on the Pine Haven substation in Island Park, which is part of the \$25M transmission system upgrade from Drummond to Macks Inn being done over the next several years to support the continued growth of services in both Island Park and West Yellowstone, Montana. Future work will focus on improvements at the substations of Drummond, Last Chance, Ponds, Big Bend, and Macks Inn.

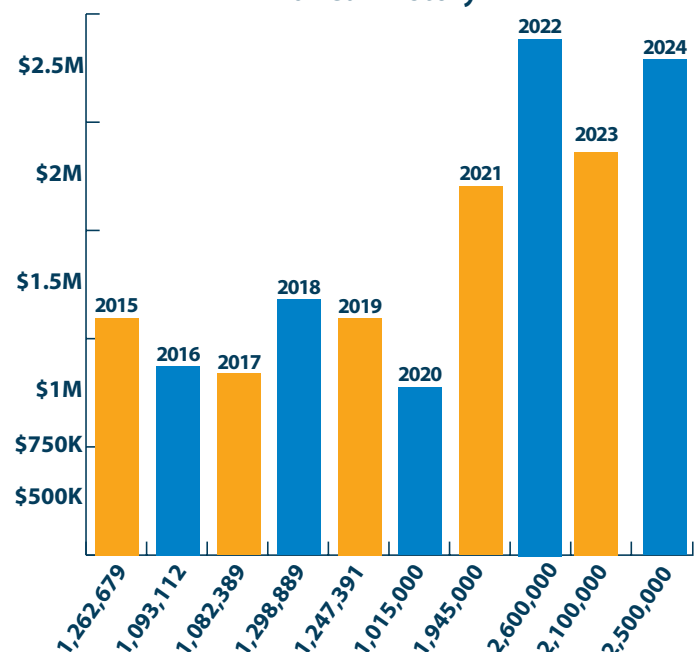


Fall River Electric's Top 10 Accomplishments for 2024

- **Paid \$2.5 million** in Patronage Capital to owner-members
- **Achieved record setting equity ratio of 52%** – highest ever in Co-op's 86 year history
- **722 new electric service connections**
- **Secured 3** new power agreements, including solar and wind
- **Invested \$4.8 million** for Island Park/ West Yellowstone transmission system upgrade
- **Awarded over \$81,000 in scholarships** to member children
- **Provided electrical safety demonstrations** to over 500 elementary school students
- **Collected** over 12,000 pounds of non-perishable food for 4 local food banks and pantries
- **Implemented** a new System Control & Data Acquisition System (SCADA) to improve reliability
- Fall River Propane, a subsidiary of Fall River Electric, **delivered over 4.8M gallons of propane** & added nearly 800 new customers



Patronage Capital Member Payback
10 Year History



Consequential Growth Continued in 2024

Even with high mortgage interest rates and persistent inflation, some 722 new electrical connections were completed by Fall River Electric Cooperative crews in 2024, exceeding the number connected in 2023. This growth of new owner-members moving into our service area, more second home properties being used as Airbnb and Vrbo rentals, and frigid cold temperatures in January resulted in record setting electric consumption totaling 96,623 kilowatts (KW) this past January. This usage was 14% above the 5-year average for January and more than 5,000 KW greater than January of 2023. It was the highest use ever on the Fall River Electric system!

Additionally, substantial progress was made on a portion of the transmission system upgrade to Island Park and West Yellowstone, which resulted in the Co-op investing about \$4.8 million in 2024. This is a multi-year project estimated to cost upwards of thirty million dollars in total when completed. Our continued growth in services is also moving up the schedule to construct a new substation in Teton Valley. Land was purchased in 2023 for what was then considered to be a “future” project, but the future appears to be coming more quickly.

The even greater news, in addition to the items mentioned above, is that Fall River Electric Cooperative is in an outstanding financial position with an all-time record setting equity ratio of 52%, the best ever in the 86-year history of the Co-op. As reported by Fall River Electric CEO/General Manager Bryan Case in the February issue of the *FLASHES* newsletter: “That means we can now use some of that equity to finance portions of upcoming wholesale power price increases.” Just as this year’s annual business meeting theme says: People, power, and purpose are driving Fall River Electric into the future.



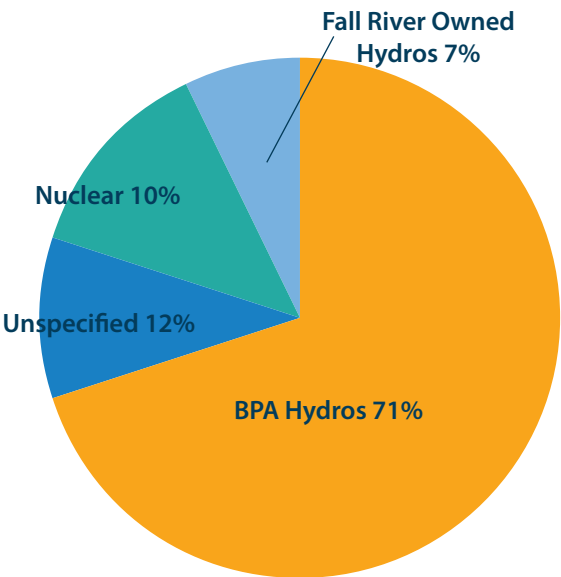
SUBMIT A QUESTION

If you have a question you would like to ask the Fall River Electric board or management team, cards will be provided at our meeting on June 21 at North Fremont High School for you to write and submit.

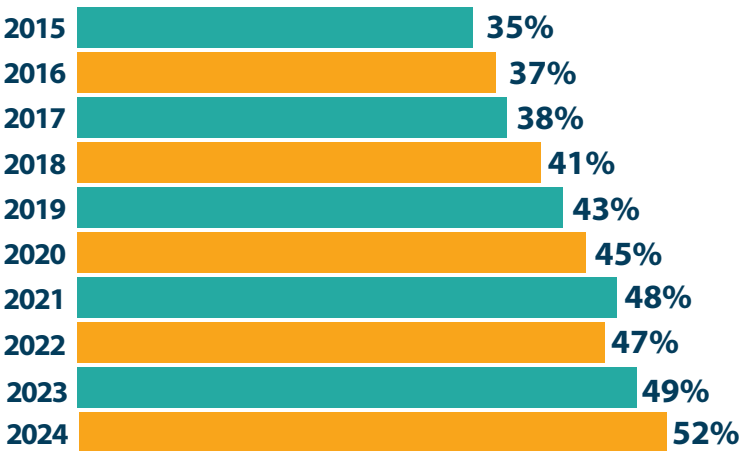
If you are unable to attend the meeting, you can submit your question(s) via email to member.services@fallriverelectric.com.

Answers to all questions will be provided in upcoming editions of the *FLASHES* newsletter, starting with the August 2025 edition.

Delivering 88% Carbon-Free Power to Fall River Electric Members!



Equity Ratio 10 Year History



2024 By the Numbers

15,802
owner-members

20,713
meters connected

431 M kilowatt hours
sold to members

55,102,432
kilowatt hours
generated by Fall River
hydros, a 7% increase
over 2023

722 new electrical
services installed

12,000 pounds of
food collected for our
local food banks

119,000 kilowatt
hours saved through
conservation efforts by
members

Over \$81,600
awarded in
scholarships to
children of members

Revenues, Expenses, & Patronage Capital

years ended 2024 and 2023

	2024	2023
OPERATING REVENUE		
Electricity sales	\$41,297,676	\$36,948,657
Propane sales	9,600,676	10,681,793
Other operating revenue	1,576,882	1,664,504
Total operating revenue	\$52,475,234	\$49,294,954
OPERATING EXPENSES		
Power production expense	1,359,432	1,229,734
Cost of purchased power	15,822,654	14,627,529
Cost of propane	5,027,232	5,898,728
Cost of propane installation and delivery	2,261,062	2,186,546
Transmission expense	39,417	38,712
Distribution - operations	4,361,698	4,305,898
Distribution - maintenance	1,506,594	1,384,444
Member accounts	1,344,824	1,210,058
Member service and information	179,660	173,690
Sales expense	481,711	460,747
Administration and general expense	5,669,691	5,271,831
Depreciation and amortization expense	5,053,299	4,801,956
Taxes	1,489,104	842,240
Interest on long-term debt	2,171,727	2,325,189
Other interest charges	19,724	6,805
Other operating expenses	-	774
Total operating expenses	\$46,787,829	\$44,764,881
Net Operating Margins	5,687,405	4,530,073
NON-OPERATING MARGINS		
Interest income	391,272	594,119
Gain or (loss) on disposal of general plant	97,197	116,765
Other non-operating income (expense), net	(128,344)	183,433
Total non-operating margins	\$360,125	\$894,317
Capital credits from associated organizations	207,562	299,948
Net margins	6,255,092	5,724,338
Patronage capital, beginning of year	63,360,529	60,064,937
Retirement of capital credits	(2,507,015)	(2,428,746)
Patronage capital, end of year	\$67,108,606	\$63,360,529

Consolidated Balance Sheets

as of December 31, 2024 and 2023

	2024	2023
ASSETS		
Noncurrent Assets		
Electric Utility plant, net	\$104,814,818	\$96,217,026
Propane plant, net	9,447,464	8,614,898
Leases receivable, due after one year	234,915	260,439
Investments in associated organizations	5,921,021	5,829,310
Total noncurrent assets	\$120,418,218	\$110,921,673
Current Assets		
Cash and cash equivalents	917,654	4,067,365
Temporary investments	1,000,000	5,800,000
Accounts receivable, net	6,039,893	6,807,722
Leases receivable, due within one year	25,524	25,385
Materials and supplies inventory	3,175,234	3,849,309
Other current assets	178,227	223,652
Total current assets	11,336,532	20,773,433
Deferred charges	3,394,424	3,213,051
Total assets	\$135,149,174	\$134,908,157
MEMBERS' EQUITY AND LIABILITIES		
Members' Equity		
Patronage capital	67,108,606	63,360,529
Other equities	2,290,732	2,057,067
Total members' equity	\$69,399,338	\$65,417,596
NONCURRENT Liabilities		
Long-term debt, due after one year	51,352,141	54,433,064
Total noncurrent liabilities	\$51,352,141	\$54,433,064
CURRENT LIABILITIES		
Long-term debt, due within one year	3,223,577	3,352,063
Accounts payable	3,220,676	3,094,165
Consumer deposits	481,490	491,356
Deferred revenue	1,160,078	650,310
Other current liabilities	2,813,850	3,671,748
Total current liabilities	10,899,671	11,259,642
Deferred credits	3,498,024	3,797,855
Total members' equity and liabilities	\$135,149,174	\$134,908,157

2024 Highlights

- **Paid members \$2.5M** in Patronage Capital
- **Invested over \$13.4M for power grid improvements**, a whopping 54% increase over 2023
- **Decreased long-term debt by \$3.2M**
- **Achieved equity ratio of 52%** - best in Co-op history
- **No loss time worktime accidents**, a testament to the Co-op's "safety culture"
- **System reliability improved with SCADA** implementation
- **Established long-term energy planning** with PNGC Power



RURAL ELECTRIC COOPERATIVE

Where Service Matters