



MESSAGE FROM THE PRESIDENT/CEO

GDS & Associates, Inc., an independent, nationally recognized consulting firm headquartered in Marietta, Georgia, worked with HWEC personnel to complete the financial projections and derive the necessary rate adjustment in order to meet the projected revenue requirements.

In order to maintain a healthy organization and to meet loan covenants relating to the cooperative's financing arrangements through the USDA, senior management recommended a rate adjustment to the nine-member board of trustees. The board approved an adjustment based on their analysis of the 2020 financial projections.

On the following page, you will see the schedule for the new residential and farm rates and general service without demand beginning with the May 2020 billing cycle.

As you will see, the final approved recommendations include changes to both our retail kWh rate and our monthly consumer charge, which is the monthly service fee that generates revenue needed to provide electric service to each meter in our 2,300-mile system.

Based on directives of the membership, we continue to improve reliability for the members through maintaining and improving our distribution infrastructure. The price of the materials, equipment and contract labor used to construct and replace our infrastructure has increased in recent years. There have also been industry-wide increases in the cost of right-of-way clearing and maintenance.

As with most industries, we have also experienced increases in general operating expenses. However, Holmes-Wayne Electric has not adjusted rates for the past three years. This is a testament of the culture established in innovativeness, efficiencies, and technological improvements.

HWEC continues to be committed as sound stewards of your investment in your electric cooperative. As a not-



Glenn W. Miller
PRESIDENT/CEO



Randy Sprang
BOARD CHAIRMAN

for-profit electric membership cooperative, any revenue collected in excess of operating expenses is returned to you in the form of capital credits.

As a board and as the president/CEO, we understand our responsibility to set equitable rates for you the members, while maintaining the financial stability of the cooperative. Upon reviewing the chart on the next page, we feel that we are accomplishing that delicate balance.

As always, we are here to serve you. Through this publication, our Facebook page, billing notes, and our website, we provide energy efficiency tips to reduce your consumption. Our on-staff energy advisor is available for questions or will come to your home and provide a thorough energy assessment.

Please take note on page 21 of the energy efficiency tips for the entire family. Small changes throughout the year, no matter what your age, can add up to big savings.

If at any time you have questions regarding this rate adjustment, feel free to contact the cooperative. As always, we will continue our commitment to providing the information and tools necessary to manage your energy consumption and electric bill.



Holmes-Wayne Electric Cooperative, Inc., Adjusted Rates and Charges

As of the [May 2020 billing](#), the following rate schedule will take effect. Below are examples based on average consumption of each rate class.

Rate class: farm/residential:

Average Residential Usage	<u>Current monthly bill, including PCA*</u>	<u>New May 2020 monthly bill</u>
1,100 kWh of usage	\$143.05	\$149.43
	<u>Current power rate</u>	<u>New power rate</u>
First 2,000 kWh	11.493 cents	11.900 cents
Next 13,000 kWh	11.447 cents	11.854 cents
Over 15,000 kWh	11.391 cents	11.798 cents
Consumer charge**	\$18.75	\$20.65

If a transformer of more than 15 kVA must be installed, the monthly minimum bill will be \$20.65 plus \$1.00 additional for each additional kVA over 15 kVA.

Rate class: general service without demand:

Average Usage 600 kWh of usage	<u>Current monthly bill including PCA*</u>	<u>New May 2020 monthly bill</u>
	\$95.75	\$100.10
	<u>Current power rate</u>	<u>New power rate</u>
First 2,000 kWh	12.410 cents	12.959 cents
Next 13,000 kWh	12.364 cents	12.913 cents
Over 15,000 kWh	12.308 cents	12.857 cents
Consumer charge**	\$22.45	\$23.50

The monthly minimum for general service without demand accounts will be the greater of:

- A. \$23.50; or
- B. \$1.30 per kVA of required transformer capacity; or
- C. A contracted monthly minimum.

* PCA (Power Cost Adjustment) is the additional charge as a result of the actual power (generation and transmission) cost being more than the power cost that is currently built into our rates.

** The consumer charge is a monthly minimum cost incurred for each meter and not based on kWh consumption. This charge is each member/owner is proportionate share (per meter) of infrastructure investment in substations and distribution equipment.

Outdoor area lighting:

	<u>Current rate</u>	<u>New rate</u>
Light on existing pole or member's pole	\$8.50	\$8.50

Any member who wishes to view the complete rate schedule may do so by contacting the Holmes-Wayne Electric Cooperative office toll-free at 866-674-1055. Members can also visit our website at www.hwecoop.com.

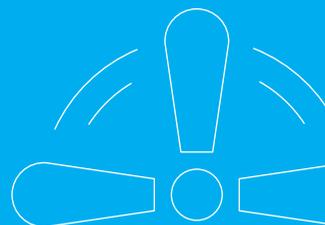
35 HELPFUL TIPS

20 WAYS TO SAVE ON YOUR ELECTRIC BILLS

1. Replace any lightbulb that burns more than one hour per day with a LED light, which uses up to 75% less energy.
2. Make it a habit to turn off lights in unoccupied rooms.
3. Caulk, seal, and weatherstrip around pipes, doors, and windows in your home.
4. In the attic, determine whether openings for ducts, pipes, and chimneys are sealed. Seal any gaps with an expanding foam, caulk, or other permanent sealant.
5. Caulk along baseboards with a clear sealant to help eliminate drafts and stop unwanted airflow.
6. If the attic hatch is located above a heated or air-conditioned space, check to see if it is at least as heavily insulated as the attic, is weatherstripped, and closes tightly.
7. The insulation at the top of the foundation wall and first-floor perimeter should have an R-value of 10 or greater. If the basement is heated, the foundation walls should be insulated to at least R-19.
8. Install foam gaskets on all outlets and light switches, even on interior walls. Use child safety plugs to keep cold air from coming through outlets.
9. Ditch the old fridge in your garage, as it can use up to three times more energy than a new one.
10. When it's time to replace an appliance, look for the ENERGY STAR label to be sure you're getting an energy-efficient appliance.
11. Clean your refrigerator coils. Dirty coils cause your refrigerator compressor to work harder to remove heat.
12. Use your microwave whenever possible instead of a conventional oven.
13. Wash clothes in cold water. Use hot water only for very dirty loads or when absolutely required. Do only full loads of laundry.
14. Run ceiling fans on medium, blowing down, in the summer. Run ceiling paddle fans on low, blowing up, in the winter.
15. Turn computers and monitors off when not in use.
16. Set your thermostat to 78 F in the summer and 68 F in the winter. And if you don't already have a programmable thermostat, consider having one installed.
17. Inspect heating and cooling equipment annually, or as recommended by the manufacturer. Have a professional check and clean your equipment once a year.
18. Lower the room temperature while you're sleeping or when no one is home. Your energy advisor can help you choose the temperatures that are most cost-effective for your heating system.
19. If you have a fireplace that is not in use, be sure to close the flue tight to avoid heat loss up the chimney.
20. Don't set your freezer below 0 F or your refrigerator below 37 F. Using temperatures lower than this will consume extra energy unnecessarily.

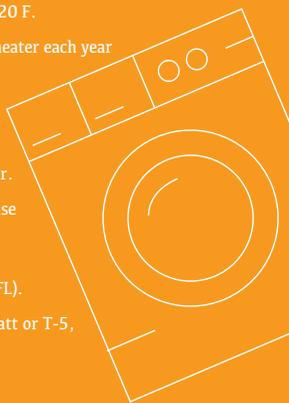


To learn more helpful energy-saving tips, visit your electric cooperative's website at hwe.coop.com.



10 HOME ENERGY-SAVING MEASURES

1. Set your water heater temperature no higher than 120 F.
2. Drain 1 to 2 gallons from the bottom of your water heater each year to reduce sediment buildup.
3. Limit shower length to 5 to 7 minutes.
4. Clean your dryer's lint trap before each load.
5. Let hot food cool before storing it in the refrigerator.
6. Only run the dishwasher when it's fully loaded and use air-dry instead of heat-dry to dry dishes.
7. Replace outdoor lighting with its outdoor-rated equivalent LED or compact fluorescent lightbulb (CFL).
8. Use fixtures with electronic ballasts and T-8, 32-watt or T-5, 28-watt fluorescent lamps.
9. Turn off coffee makers when not in use.
10. Change HVAC filters monthly.



5 TIPS DURING A POWER OUTAGE

1. Report an outage to your electric cooperative.
2. Stay away from any fallen lines or poles and report them to your cooperative.
3. Keep flashlights handy and make certain they have fresh batteries. Even if the outage is during the day, a handy flashlight will help in dark rooms or hallways.
4. Know the safety tips for using a generator.
5. If you or a family member depends on life support, have a contingency plan in place.





Morris completes apprenticeship program

Congratulations to HVEC employee Matt Morris, who recently completed his apprenticeship to become a Class A lineman. At the core of our organization and one of the Seven Cooperative Principles is Education, Training, and Information. That education can come from a variety of avenues — formal higher education classes, professional certifications, or conferences and seminars. But we also understand the value of on-the-job training, cross-training, and networking with others in our industry. Apprentices complete 8,000 hours of on-the-job training and also classroom and technical training on their path to graduation from the Central Ohio Lineworker Training (COLT) program.

2020 HVEC Vegetation Management Plans

There are many ways Holmes-Wayne Electric Cooperative provides you with safe, reliable electric service. On of the most common — and crucial — ways we do this is through right-of-way clearing, or vegetation management. HVEC trimming and Environmental Protection Agency-approved vegetation management is on a four-year rotation. A third-party contractor completes this work, and HVEC bids out the contract every year, in order to provide the best value to our members.

-  **RIGHT-OF-WAY (ROW)**
Refers to a strip of land underneath or around power lines that your electric cooperative has the responsibility to maintain and clear.
-  **ROW CLEARANCE GUIDELINES**
15 feet of clearance on either side of the primary lines.
-  **RELIABILITY**
ROW clearing is critical to ensuring that we provide members with affordable and reliable electricity. ROW maintenance reduces outages.
-  **SAFETY**
ROW clearing also keeps your family safe by ensuring that tree branches do not become energized because of close contact with a power line. Contact HVEC before trimming or removing trees near any power service or line. NEVER trim a tree in the ROW zone on your own!



2020 TREE TRIMMING SUBSTATION AREAS

Reedsburg
Ripley
West Millersburg



2020 VEGETATION CONTROL SUBSTATION AREAS

Buckhorn
Drake Valley
Killbuck
Stillwell



Holmes-Wayne
Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

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