

Holmes- Wayne

Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

6060 S.R. 83 P.O. Box 112
Millersburg, OH 44654-0112
Business hours 7:30 a.m.- 4 p.m.

24 Hour Toll-free Phone:
866-674-1055
888-264-2694

www.hwecoop.com

Board of trustees

Ronnie SchlegelChairman
Donald Buren.....Vice Chairman
Larry Martin.....Sec.-Treas.
David Mann Randy Sprang
Kenneth Conrad Kenneth Bower
Bill Grassbaugh Barry Jolliff

Personnel

Glenn MillerPresident/CEO
John PorterAsst. Manager/Engineer
Vicki Bilek.....Executive Secretary
Casey Wagner.....Accounting Manager
Robyn TatePublic Relations/HR
Lisa BakerBilling Supervisor
Stacy ShawLine Supv./Safety Director
Ward VaughnLine Supervisor
Brent SchrockContractor Supervisor
Tim VickersStaking/Field Engineer
Nolan HartzlerGIS Mapping Technician
Gary Snyder.....Operations Field Technician
Craig Duncan .Operations Field Technician
Brian SpencerSystem Engineer
Kenny DePriest.....Energy Advisor
Karen TishPlant Accountant/Purchasing
Curtis Woods.....Warehouse/Mechanic
Carol Hawkins.....Customer Serv. Supervisor
Jeanne Baker.....Customer Service Rep.
Sue Holcomb.Customer Service Rep.
Lisa Gress.....Customer Service/Accounting
Albert SchonauerClass A Lineman
Daryl Reynolds.....Class A Lineman
Harry Morris.....Class A Lineman
Steve JamesClass A Lineman
Fred CombsClass A Lineman
James RoseClass A Lineman
Michael Maurer.....Class A Lineman
Michael Martin.....Class A Lineman
Gregory LemonClass A Lineman
Michael RoweClass A Lineman
Bowe FirebaughClass A Lineman
Jeffrey Young.....Class A Lineman
Ed Walton.....Utility Man
Rick FoxUtility Man
Darin Stefano.....Apprentice Lineman
Steve Asbury.....Apprentice Lineman
Josh Johnson.....Apprentice Lineman

Climate change policy costly to you

Congress and the federal government are focused on prioritizing climate change policy. Given the long list of environmental impacts and expensive solutions, any action taken to address the issue certainly will increase the cost of electricity we use every day.

Climate change proposals seek to reduce emissions of greenhouse gases, carbon dioxide in particular. In the United States, power plants that burn fossil fuels produce about 2.4 billion tons of carbon dioxide every year. That works out to about 39 percent of the nation's man-made output of the gas — the largest single source.

Electric cooperatives are involved in cutting-edge work to develop new technologies to reduce carbon dioxide emissions from power plants, but those options aren't yet ready for prime time. They're limited, largely untested and expensive. Yet potential legislation would rely on them to make significant carbon dioxide cuts nationwide.

A key committee in the U.S. House of Representatives has released a 648-page draft of a climate change bill, one that imposes a cap-and-trade tax to limit carbon emissions. Cap-and-trade systems work by setting a specific limit on airborne pollutants from sources like power plants, factories and refineries, and they require those sources to account for all emissions with issued allowances.

Cap-and-trade has worked well during the last 15 years to reduce emissions of acid rain-causing sulfur dioxide nationwide and over the last decade to curb smog-creating nitrogen oxides in the eastern half of the country. However, some cap-and-trade tax proposals for carbon dioxide contain a new twist: pricey allowances.

Allowances would be auctioned off at undetermined prices, leading to huge cost burdens for any source of carbon dioxide emissions. In the case of power plants, those costs would ultimately be passed on to consumers using the power, in some cases adding \$50 or more to electric bills each month. In late February, the Obama administration pointed to such a system as a new, substantial source of revenue for the federal government — effectively muddying the initial environmental argument for regulating carbon dioxide.

Such a backdoor tax increase would force electric cooperatives to essentially become tax collectors for the federal government, and would allow Wall Street investors to set allowance prices and determine how much you pay for electricity.

We need to help Congress draft an energy solution that accomplishes environmental goals while taking affordability into account. But time may be tight: if Congress fails to act, the U.S. Environmental Protection Agency stands ready to step in, leaving decisions that affect consumers' pocketbooks up to unelected bureaucrats.

Electric cooperatives want to work with Congress to address climate change in an affordable and environmentally responsible

President's Report

By
Glenn Miller



(Continued on page 27)

New payment date for your electric bill

Please notice starting in May, if your service is in Ashland or Wayne counties, your Holmes-Wayne Electric bill will have a new payment due date. Your bill will be processed around the middle of the month and will be due the 5th day of the following month. Please contact the office toll-free at 866-674-1055 with any questions you may have.



Holmes-Wayne Electric CEO joins CFC Board

Glenn W. Miller, president and CEO of Holmes-Wayne Electric Cooperative, joined the board of directors of the National Rural Utilities Cooperative Finance Corporation (CFC) in February following its annual meeting in New Orleans. Miller was elected from District 4, to serve a three-year term on the CFC board. District 4 is composed of Michigan, Indiana, Ohio and West Virginia.

CFC is a not-for-profit finance cooperative that serves the nation's rural utility systems, the majority of which are electric cooperatives and their subsidiaries. With more than \$20 billion in assets, CFC provides its member-owners with an assured source of low-cost capital and state-of-the-art financial products and services.

Miller is a certified public accountant in the state of Ohio, and serves on the boards of Buckeye Power, the Ohio cooperatives' generation and transmission cooperative, the Holmes-Wayne Electric Operation Round Up Foundation and the Holmes County Economic Development Council.

Are you tired of peaks in your bill?

The winter of 2008-2009 broke many Ohio cold weather temperature records. In extreme weather conditions, like winter and summer months, often members consume more electricity, and therefore your bill will be higher.

To budget your expenses easier, Holmes-Wayne Electric offers budget billing. Budget billing allows you to manage your bill by averaging your annual consumption and avoid high bill surprises. The average is based on the last 12 months of consumption. Every six months, HWEC will evaluate actual consumption to verify you are maintaining an average balance; therefore avoiding a large balance at the end of the 12-month period.

Plus if you choose, you can have the convenience of paying your bill online every month at our Web site www.hwecoop.com or select our automatic withdrawal payment program.

If interested in the HWEC budget billing program, you may enroll at any time as long as you have been a member of HWEC for 12 months and have a zero balance. Please contact the cooperative toll-free at 866-674-1055 to discuss a budget plan for you.

Also be sure to check out all our money-saving tips at our Web site www.hwecoop.com under Energy Advisor. Learn easy and inexpensive ways to manage your electric consumption and bill.

Climate change

(—continued from page 25)

fashion. We're ready to provide insight into how various policy proposals will impact consumers, and urge lawmakers to reach the right answers.

National energy and climate change policy must focus on reducing emissions, not on "revenue enhancement" for the federal government.

Money generated, through a cap-and-trade tax or otherwise, must be used wisely: devoted to developing related technology or returned to those who foot the bill. And Congress should take the lead on climate change, not regulators or Wall Street speculators.

In unity with 42 million other electric co-op consumers around the country, urge your U.S. representative and senators to work with electric cooperatives to keep electric bills affordable. Get involved in this effort by participating in the Our Energy, Our Future™ grassroots campaign at www.ourenergy.coop.

Putting a Price on Carbon

All climate change policy proposals seek to reduce emissions of carbon dioxide. While the greenhouse gas can be removed from the air (plants and trees are nature's best example), slashing man-made emissions tops the list of climate change remedies. A carbon tax or cap-and-trade tax are the current options for doing so.

CARBON TAX

Q: What is it?

A: A levy on energy sources emitting carbon dioxide meant to cut consumption of fossil fuels like coal, natural gas, and oil. The tax would most likely be based on the actual carbon content, in tons, found in each fuel type. The effectiveness of such a system depends on the actual price established per ton of carbon.

PROS

- ⊕ Economic certainty: costs are easily tallied up-front
- ⊕ Resulting revenue could be used for research on new energy technologies, create incentives for non-emitting sources such as nuclear power and renewables, or returned to taxpayers via rebates and other assistance

CONS

- ⊖ No specific goal for carbon dioxide reductions set
- ⊖ Sources of emissions could essentially pay to maintain "business as usual"
- ⊖ If the tax is set too high, prices could skyrocket across the board: electricity bills, as well as the price of goods and services dependent on fossil fuels, would increase

Source: National Rural Electric Cooperative Association

CAP & TRADE TAX

Q: What is it?

A: In its most basic form, a cap-and-trade tax uses market forces to curb emissions of greenhouse gases like carbon dioxide. Each source (like a power plant) has a limit, or set number of allowances, placed on the amount of gases it can release—the cap. Those who make investments to curb emissions under the cap can sell any extra allowances to those who can't make reductions as easily—the trade. The cap-and-trade tax being considered by Congress would sell allowances through an auction, essentially making all sources pay for any amount of carbon dioxide emitted.

PROS

- ⊕ If implemented well, provides an opportunity to find the most efficient ways to reduce emissions
- ⊕ Guaranteed environmental benefits

CONS

- ⊖ Financial speculators could ultimately determine the price of carbon, directly impacting electricity bills
- ⊖ Success of reducing emissions relies on technology that is currently limited, largely untested, and expensive
- ⊖ If used to generate additional federal revenue, essentially turns electric co-ops into government tax collectors

2008 Allocation of capital patronage credits on May bill

As a member-owned cooperative, Holmes-Wayne Electric is committed to operating the cooperative to provide the best service at the lowest possible cost. We sell and deliver electricity to our members at cost plus a small margin. It is necessary to collect a small margin in order to provide working capital. We use margins to maintain the electric distribution system, to build and upgrade lines, and to provide service to new members. However, because we are a not-for-profit cooperative, we return these margins to the members. These are called patronage capital credits.

Capital credits are returned to each member based on patronage. They are divided among the members according to the amount of power purchased by the member; so, the more power you consume and purchase, the higher your share of capital credits.

Capital credits are assigned, or allocated, to each member/owner for the prior year. Your member-elected Board of Trustees oversees the financial well being of the cooperative. As the financial status of the cooperative permits, the board will decide to retire capital credits. Capital

credits are being retired on the industry goal of a 20-year cycle. When these capital credits are retired, they are returned via a check to current members and former members no longer on our lines. This is one reason why you always should keep your cooperative apprised of your address if you move off of Holmes-Wayne Electric's lines: you may have money coming to you that you have forgotten about!

You also receive an allocation of capital credits from our generation company, Buckeye Power, also a cooperative. Holmes-Wayne Electric is a member/owner of Buckeye Power. Buckeye Power allocates capital credits to Holmes-Wayne Electric based on the same principles. We, in turn, allocate these capital credits to you. You are notified annually of your allocation of the capital credits assigned to your account for the prior year.

Please note in your May 2009 bill, the information regarding the "2008 Allocation" for both Holmes-Wayne Electric Cooperative and our generation cooperative, Buckeye Power. You will have "2008 Allocation" only if you were a member of the cooperative in 2008.

2009 Holmes-Wayne Scholarship Winners



Olivia Carmel



Sharanbir Grewal



Melinda Wolboldt



Colton Zody



Emma Ann Brewer



Ryan Swartz

Olivia Carmel, West Holmes High School, and Sharanbir Grewal, Wooster High School, won first place — and \$2,000 scholarships — in their respective divisions in the 2009 Holmes-Wayne Electric Cooperative scholarship competition.

Carmel and Grewal were part of a group of 39 students representing 11 area high schools who competed this year.

Carmel is the daughter of Randall and Joan Carmel, 5062 T.R. 257, Millersburg. She plans to pursue a degree in English.

Grewal is the son of Parwinder and Sukhbir Grewal, 2280 Larch Drive, Wooster. He will be majoring in international relations.

By taking first place at HWEC's local contest, Carmel and Grewal earned the right to represent Holmes-Wayne in a statewide scholarship competition in Columbus on May 11. Students representing electric co-ops from around the state compete for top prizes of up to \$2,625 in the Columbus event.

Other winners were:

Melinda Wolboldt, second place, girls' division (\$1,500). Wolboldt is the daughter of Gail and Robin Wolboldt, 4989 Oil City Road, Wooster. A senior at Triway High School, Melinda will attend Case Western Reserve University majoring in chemistry.

Colton Zody, second place, boys' division (\$1,500). Zody is the son of Steve and Jacki Zody, 4069 Batdorf Road, Wooster. Zody is a senior at Triway High School.

Third-place winner in the girls' division (\$1,000) was Emma Ann Brewer, a senior at West Holmes High School. She is the daughter of Thomas and Julia Brewer, 13818 St. Rte. 520, Glenmont. Brewer plans to earn a degree in animal science with pre-vet and business minors.

Ryan Swartz, a senior at Northwestern High School, was the third-place winner (\$1,000) in the boys' division. He is the son of Dan and Kris Swartz, 13537 Overton Road, West Salem. Swartz plans to major in English.

Our best wishes go out to all the students who participated in this year's scholarship contest and a special thanks to the judges: Melinda Elliott, Lucille Hastings and Neely Summers