

# Holmes-Wayne Electric Cooperative, Inc.

## Economic challenges of a rural electric provider



*President's Report*  
*Glenn Miller*

Many people choose to live in a rural area for the beautiful scenery, the privacy, the security, the calm serenity and strong work ethic development that “country living” has to offer. We consider it a privilege to be able to provide power to the rural setting of Holmes, Wayne and surrounding counties.

Being a rural service provider presents a unique set of challenges. The rural terrain makes it more difficult to build line and restore power. When a large portion of our infrastructure is not along the side of the road as in cities and towns, often lines cannot be built or repaired with the convenience of equipment like bucket trucks. Our linemen will routinely build, patrol and repair lines by physically walking the lines and climbing the poles.

Holmes-Wayne electric lines are also exposed to more trees and wildlife, therefore creating a larger budget for tree trimming maintenance. HWEC spends an average of \$1.1 million a year on tree trimming to keep electric lines free from vegetation that will make contact with our system and interrupt your electric service.

These challenges are why rural cooperatives were established 75 years ago. Investor-owned utilities such as American Electric Power (AEP) and FirstEnergy were not able to serve rural areas because of the cost and lower return on electric sales was not profitable.

On average, AEP has 35 consumers and First Energy has 42 consumers per mile of electric distribution line. Holmes-Wayne Electric averages 7 consumers per mile of line. The cost to build and maintain line is shared by more consumers for IOU customers than it is for Holmes-Wayne members. Even though we have significantly less revenue to spread our costs over, our rates still remain as some of the lowest in the state.

Another factor influencing electric providers is large industries. The majority of those are found in cities and towns — not in rural territory. Investor-owned utilities benefit from the substantial revenue streams generated by sales to large industrial customers.

All of these factors and challenges impact the cost to provide electric service to members of Holmes-Wayne Electric. Even though we face unique challenges, we continue to strive to provide the best customer service and reliability at the most economical price to our members.

Moving forward, both investor-owned and rural utilities face new challenges as energy policies change and multimillion-dollar equipment is installed to meet federally mandated environmental policies. These factors have been the driving force for the most recent and future rate increases.

As we face future challenges, you can be proud to be a member of Holmes-Wayne Electric. By being a member, you also are an owner. Since the establishment of the HWEC, any margins recognized by the cooperative are returned to our members in capital patronage. A huge advantage of a rural cooperative is knowing that every bill you pay will be used for the expenses to provide electricity to your home or business. Any remaining revenue after expense is returned to our members. This year, Holmes-Wayne Electric distributed \$914,972 in patronage capital credit refunds.

We think the benefits of living in the country outweigh the challenges. We hope you think so too!

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## Vegetation management programs keep power flowing safely to homes

Trees may seem harmless on a calm, sunny day. But add a bit of wind or ice on a stormy night and those towering pillars may threaten your home's electric supply.

"A great majority of our storm outages are related to trees contacting power lines," comments Brent Schrock, Holmes-Wayne Right-of-Way Supervisor and certified arborist. "Regular trimming of trees and brush along power lines helps cut down on the number of outages as well as annoying blinks."

Electricity interruptions can occur when branches break and fall across power lines, or when trees tumble onto power lines. When strong winds blow, limbs growing too close to power lines may sway and touch wires. These momentary power disruptions are commonly called blinks and leave digital clocks flashing. And then there's arcing — when electricity uses a nearby tree as a path to the ground. That action poses hazards to anyone in the vicinity and could spark a fire.

To fight these potential problems, utilities wage a never-ending war. Tree trimming crews work year-round to clear growth away from power lines as a way of reducing potential outages and safety risks.

"Holmes-Wayne Electric is committed to providing safe, reliable, and affordable power, and our tree trimming program is key to fulfilling that promise," stresses Schrock.

Tree trimming crews look for foliage growing under lines, overhanging branches, leaning or other types of "danger" trees that could pull down a power line if they fall, and trees that could grow into lines. As a rule of thumb, 30 feet of ground-to-sky clearance should be available on each side of utility poles to give power lines plenty of space.

"This job never ends," explains Schrock. "By the time our contracted crews finish clearing trees and brush from hundreds or even thousands of miles of lines, it's time to go back to the beginning to clear away new growth. We are currently on a four-year rotation for our over 2,200 miles of line."

Vegetation management programs have met with widespread success. The North American Electric Reliability Corporation (NERC), which oversees reliability of the transmission system that blankets the United States, most of Canada and one Mexican state, tracks bulk power supply-related outages. The group lists the period between July and September as "high-risk" for outages due to seasonal tree and shrub growth. Aggressive upkeep has led to a drop in vegetation problems.

### Making the cut

Typically, a utility will not remove trees. Instead, errant limbs and branches too close to power lines are trimmed away.

"The Tree Care Industry Association (TCIA, formerly the National Arborist Association) receives a lot of calls from homeowners complaining that their utility company 'drastically' cut trees near power lines," shares

Tchukki Andersen, TCIA staff arborist.

Holmes-Wayne Electric respects your property, and decides how to trim trees based on the amount of clearance needed around wires, voltage coursing through lines, the tree's growth rate and the right-of-way maintenance cycle (how frequently trimming along the line is performed).

"When evaluating the quality of such activities, consider that a utility's primary objective is to prevent outages as well as electrical hazards," explains Andersen.

For long-standing trees that have grown too close to overhead lines, several trimming options are employed. A V-cut prunes branches back toward the center of the tree's crown, basically carving a V-shape through the middle to provide proper line clearance.

If limbs grow too close to lines on one side of a tree, side trimming takes place — branches on the entire side are removed. Finally, the notch method clips limbs on one side of a tree from the top to a safe area underneath, leaving a canopy that will not cause any problems.

If you want to remove a tree near a power line, contact the HWEC office toll-free at 866-674-1055.

### Branching out

While trees and branches remain the primary cause of outages, other offenders abound — vehicles running into poles or animals getting too close to pole-mount transformers or equipment in substations. Electrical components can also be damaged by lightning and even drifting balloons.

### Your part

Although a tree-lined property may sound ideal, trees planted too close to power lines will be trimmed to prevent power fluctuations and outages. So get your yard off to a good start — keep utility poles in mind when planting trees.

In general, tall-growing trees or varieties boasting wide canopies shouldn't be placed near utility poles. A local nursery can generally provide information outlining how tall and quickly a tree will grow, or research utility-friendly trees by searching for "utilitrees."

Trees are a valued part of every yard's landscaping, and with proper planning your trees can grow to their full potential without causing power line woes. Several guides are available for prospective planters; to learn more, visit the Arbor Day Foundation at [www.arborday.org](http://www.arborday.org).

Safety plays a big role in your utility's right-of-way trimming practices. Children climbing trees could come into contact with a live wire if trees are too close to power lines. Notice any dead, dying or severely leaning trees near power lines in your area? Be sure to alert HWEC. And don't worry — if high winds or heavy layers of ice bring down trees and power lines near your home, Holmes-Wayne has line crews on call 24 hours a day, seven days a week, to respond.

Sources: NRECA, National Arbor Day Foundation, North American Electric Reliability Corporation



# Celebrating 75 Years of Service

1935



Holmes-Wayne  
Electric Cooperative, Inc.

2010

A Touchstone Energy® Cooperative 

## Your Member-Owned Cooperative

The following letter was sent to the members of what was at the time Holmes Rural Electric Cooperative, now Holmes-Wayne Electric Cooperative, on July 15, 1939.

*Dear Fellow Member:*

*All of us want to use electricity on our farms. We want to use it not only to save time and labor but to cut production costs and raise the farm income. This has been easy to say — hard to do. Because we have not been able to see electrically powered farm equipment in actual operation, we have had to look at pictures or read about it. The information might not be accurate. And we all know that you can learn more watching a piece of machinery operating for five minutes than you can in a month's study of catalogs and literature.*

*At the big farm equipment tent show we are bringing here Thursday and Friday July 27-28 in cooperation with REA and the Ohio Extension Service, you will see the most extensive farm equipment demonstration ever put on in this country. REA is bringing a huge circus tent and truckloads of new equipment. Manufacturers are following the tour with tent and house-trailers exhibits for the midway. Equipment that you cannot as yet even find in most dealers' catalogs will be set up and operated by D.W. Teare of REA, an Agricultural Engineering Specialist, of the Ohio Extension Service.*

*All the demonstration will be under ordinary farm conditions. The big tent goes up on the fields of the Bert Giauque farm at Giauque's Corners on the State Highway No. 76, four miles south of Millersburg, Ohio. This is a farmers' show. The demonstration materials — the grains for grinding and shelling, the fodder and hay for the ensilage cutter and chopper — will all come from the demonstration farm or near-by. Equipment for every phase of farming will be exhibited and demonstrated — big equipment for the dairy and poultry house, irrigation and farm water systems, motors, sterilizers, pumps, feed grinders, and such useful and inexpensive pieces of small equipment as the stock tank heater, pig brooder, cream cooler for use with the household refrigerator, and dozens of others.*

*Under the "big top" there will be a continuous program during the day for the women, including kitchen planning, electric cookery, lighting demonstrations, laundry clinic, bathroom planning, studies of refrigeration and points on the care and selection of equipment, under direction of Miss Victoria Harris, REA Home Economist, and Local Home Demonstration Agents.*

*An electric range will be the grand door prize. One of you will be the winner. Many other prizes will be awarded. A card will be mailed to you with complete instructions.*

*There is no admission charge for any of the demonstrations, lectures or exhibits. It is hoped the entire family will come and make a holiday of the occasion.*

*Let's all go to the electric circus and see for ourselves what electric power can really do on a farm. Free prizes and sound movies both nights.*

*Sincerely Yours,*

*Lloyd Alexander, President HOLMES RURAL ELECTRIC COOPERATIVE, INC.*

*E.C. Darling, President TUSCARAWAS-COSHOCTON ELECTRIC COOPERATIVE, INC.*



*The Holmes-Wayne Electric 2010 American Cancer Society Relay for Life team raised more than \$10,000 for ACS's effort to eliminate cancer through research, education, advocacy and service. The team would like to thank the following for their donations. It is greatly appreciated.*

Autoworks Collision Center; Holmesville  
Baker's Mobile Home Transport, LLC; Shreve  
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Barnhart Auto Body; Millersburg  
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Holmes-Wayne Electric also offers direct bank payment. Enrollment forms are available on our website or by calling us at 866-674-1055.

