



MESSAGE FROM THE PRESIDENT

THE VALUE OF ELECTRICITY CONTINUES TO SHINE

Electricity keeps us connected to our modern world. Consider all the necessities and conveniences you enjoy in part because of the power lines running to the electric meter outside your home.

**The average home now has
10 Wi-Fi-connected devices — a number
expected to explode to 50 by 2020.**

Count up your televisions, computers, printers, gaming consoles, music players, and mobile devices. Whether they get used every day or just occasionally, the electricity that keeps them working comes from your cooperative, Holmes-Wayne Electric. And have you looked around your kitchen lately? Between the refrigerator, extra freezer, dishwasher, coffee maker, and microwave, a lot of us have several small and large appliances. Don't forget the loads of dirty laundry every week that are successfully cleaned by your washer and dryer powered by electricity. If you've got a craft nook or workshop, the power tools and machines you use are either plugged in or recharged from the outlets connecting your household wiring to Holmes-Wayne Electric Cooperative's meter that is connected to our complex infrastructure.

You use electricity to run all these devices, and your lights are still on while you use the stove, heat and cool your home, and get hot water. The good news is, even as we rely more on electricity, it's still a bargain — especially compared to other daily expenses.

When it comes to value, electricity is a clear winner, and we're always looking for ways to work with you to make it even better. That's why we encourage you to look for ENERGY STAR® appliances and promote energy efficiency tips. We also offer home energy audits and have an on-staff energy auditor as a valuable resource available to our members.

We are also using your dollars responsibly to provide the best value for you as a member-owner of your electric provider. We are investing in technology to continue to maintain reliable and safe electric power. On the following pages, we explain our strategic plan for preventive maintenance, infrastructure growth, and technology investments.

We know you depend on electricity for a variety of reasons. That's why we're always working to provide the best service possible to our members — you, your family, your neighbors, and local businesses.



Glenn W. Miller
President/CEO



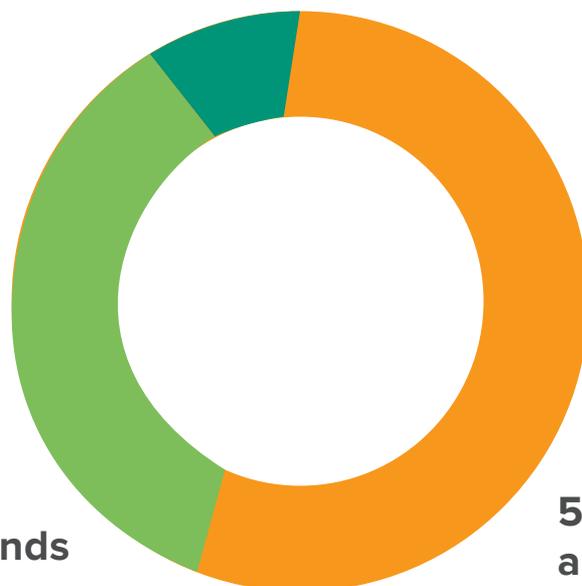
HOLMES-WAYNE ELECTRIC FOUR-YEAR WORK PLAN

As your member-owned electric cooperative, we have the responsibility of managing the organization to provide our members reliable, safe, and competitively priced electric service to enhance the quality of life in the community we serve – while embracing cooperative principles and values.

Strategic business planning is key to continued success of the cooperative. Every four years, Holmes-Wayne Electric Cooperative (HVEC) develops a work plan. HVEC staff, along with an independent engineering firm, review historical data to make projections for future load growth, equipment necessities, and maintenance reliability needs. The accounting team then reviews the results of those studies to ensure our margins and capital are supportive of the project investments.

Below is the \$23.16 million work plan for 2018 through 2021 that has been approved by the board of directors. These initiatives are strategic goals to enhance system reliability, to provide service load availability for future growth, and to invest in cost-saving technology that benefits all members. Investing appropriately while maintaining financial stability is the balanced approach taken by HVEC management and board.

9% Additional Reliability Investments



34% Load
Growth Demands

57% Replacement
and Maintenance

\$23.16 million work plan

Replacement and maintenance

- 111 miles will be replaced
- Replacing oil reclosers with vacuum reclosers, reducing maintenance costs from 2-year to 15-year cycles

Additional reliability investments

- Tie circuit automation – Tie circuits were built over the last decade between all HVEC substations to allow each substation to have backup power capabilities. If a transmission outage occurs, HVEC has the ability to open and close a number of switches at the substation, as well as down line, to transfer power to an adjoining substation and restore power to the affected area. This allows HVEC crews the ability to restore the outage in a timely manner, eliminating the need to wait on transmission crews to respond from distant locations. Tie line backfeeding was used 13 times in 2017 alone. Currently, this process is done manually by our field staff. With new technology, this process can be done remotely and will reduce outage times from hours to minutes, not to mention increasing savings in personnel costs.

Load growth demands

- 5 substation upgrades – Buckhorn, Killbuck, Moreland, Stillwell, and Trail

2018 vegetation management plans

There are many ways Holmes-Wayne Electric Cooperative provides you with safe, reliable electric service. One of the most common – and crucial – ways is referred to as right-of-way clearing, or vegetation management. HVEC's trimming and Environmental Protection Agency-approved vegetation management is on a four-year rotation. These programs are completed by a third-party contractor bid out every year to ensure the best value.



RIGHT-OF-WAY (ROW)

Refers to a strip of land underneath or around power lines that HVEC has the responsibility to maintain and clear.



ROW CLEARANCE GUIDELINES

15 feet of clearance on either side of primary power 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 if you decide to trim or remove trees near any power service or line. NEVER trim a tree in the ROW zone on your own!



EDUCATION

When around trees close to power lines, be mindful. Make sure children know that climbing trees near lines is extremely dangerous. NEVER go near a downed power line or a tree or any other object touching a downed power line!



2018 TREE TRIMMING: SUBSTATION AREAS

Clear Creek
Golden Corners
Mohicanville
North Wayne
West Salem



2018 VEGETATION CONTROL: SUBSTATION AREAS

Alpine
Hefferline
Moreland
Sugarcreek
Trail



HOLMES-WAYNE ELECTRIC COOPERATIVE LOCAL PAGES



CO-OP NEWS

Congratulations to Mike and Stacy Simmons

Touchstone Energy #WHOPOWERSYOU Contest

Second-place winners – \$2,000

Holmes-Wayne Electric Cooperative (HWEC) nominated Lord’s Pantry coordinators Mike and Stacey Simmons for the Who Powers You Contest sponsored by Touchstone Energy®. In total, 124 nominations from 46 rural electric cooperatives across the United States were reviewed by an independent panel of judges.

Selected for second place, The Lord’s Pantry of West Salem — a member of HWEC — will receive a \$2,000 donation from Touchstone Energy.

“Holmes-Wayne Electric is honored to nominate Mike and Stacey and the volunteers of The Lord’s Pantry for the service and difference they are making in the Village of West Salem,” shared Robyn Tate, HWEC human resources and community relations director. “The spirit of love, compassion, and collaboration defines the pantry.”

Inspired by the community’s needs, Mike and Stacy have given new meaning to “taking care of their own” by making an impact on children, families, and the elderly who don’t have access to basic needs.

The Lord’s Pantry opened in March 2017 with four volunteers and has grown to more than 50 volunteers, many of whom are financially or physically challenged. With the goal of showing love and compassion while

preserving dignity, the pantry has distributed over 120,000 pounds of food to families who do not have enough income to meet their needs. The pantry also collaborates with a local clothing donation agency and initiated the Back-Pack Program to feed children in need. The Lord’s Pantry now provides weekend meal boxes for 25 to 30 students. In addition, they prepare food for elderly shut-ins once a month.

“Mike and Stacy are quick to point out that The Lord’s Pantry has been able to exist because of the Lord’s blessing and the willingness of a community to come together,” Tate said. “Their humility is just a small part of their tireless effort to inspire and to breathe life into a community looking for hope. That power of hope is making a difference for countless families and individuals.”

To learn more about The Lord’s Pantry and its tremendous efforts in the community, or to read more about the other contest winners, you can review the entries at whopowersyou.com.



Holmes-Wayne
Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 

CONTACT

866-674-1055 (toll-free)
www.hwecoop.com

OFFICE

6060 St. Rte. 83
P.O. Box 112
Millersburg, OH 44654-0112

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SMARTHUB

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