

MESSAGE FROM THE PRESIDENT AND CEO

How the new time-of-day rates can benefit you

In June, Hancock-Wood Electric Cooperative officially started the new time-of-day rate structure for our members. With time-of-day rates, also known as TOD rates, the price per kilowatt-hour is dependent on the time of day it is purchased. This rate is intended to give members a financial advantage when they shift their power usage to low-demand, or off-peak, hours.

Nighttime hours, from 10 p.m. to 6 a.m. every day, are considered off-peak. During this time, our residential members will purchase energy at 6.617 cents per kWh. During on-peak — all other times — this rate is 14.426 cents/kWh. (This doesn't include Kelleys Island residential members. Check our website for the KI rate.) These rates include a distribution charge of 2.7101 cents/kWh. By shifting the time they are using power, members can easily save money on their monthly bills.

The rates are different for each of the rate classes. More details and rate info can be found at www.hwe.coop.

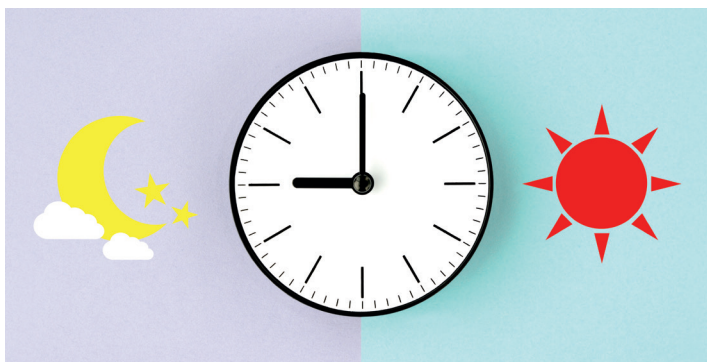
Importance of TOD rates

There are two reasons this new rate is important:

- Electricity costs more to produce during on-peak hours. Consequently, the cooperative pays more for electricity purchased during that time. The more we can get our members to shift their usage to off-peak times, the less the co-op pays, and the more savings we can pass on to our members.
- The TOD rate can save you money! How much you change — by shifting your usage to off-peak hours — will directly affect your electric bill.

How will the time-of-day rate affect you?

First, you need to determine what appliances and equipment in your house use the most electricity. In general, this would be electric vehicles and appliances that pump, heat, or cool. Some high-use items include plug-in hybrid and battery electric vehicles, electric water heaters,



Bill Barnhart
PRESIDENT & CEO

space heaters, air conditioners, electric clothes dryers, electric ranges, hot tubs/saunas, waterbeds, and pool pumps. Being on the TOD rate means you must decide which of these appliances can be used instead during off-peak hours.

Here are some suggestions on using TOD to your advantage:

- Your electric water heater can be shut off during on-peak hours by putting it on a timer. “Smart” water heaters can be programmed through an app.
- Wait until after 10 p.m. to use your dishwasher, clothes washer, or dryer. Use the “Delay” start button or app for Wi-Fi-enabled smart appliances.
- Charge your electric vehicle after 10 p.m. Most vehicles won't need a full 8 hours to charge. Configuring for a 6 a.m. departure is better than starting exactly at 10 p.m.

Imagine a typical 1,500-watt space heater running 24 hours per day for 30 days. With a traditional flat kWh rate, this heater would cost about \$130 to operate. With TOD pricing, it would cost the same \$130. On average, our TOD rate isn't higher or lower. Now, imagine the same heater that only operates eight hours per day. With a flat kWh rate, the monthly cost would be about \$43 regardless of when the heater was operated. The cost would be \$52 if operated completely on-peak; however, if the heater only operated at night between 10 p.m. and 6 a.m., the off-peak cost would be \$24. TOD pricing provides a chance to save by shifting, instead of reducing, energy usage.

As always, your co-op is here to help. If you have any questions about this new rate and how it may affect you, please give us a call at 800-445-4840.

Member appreciation day drive-thru

This year co-op board and management decided to try something new for our member appreciation day. A drive-thru event was held at the co-op on June 6. The change in format helped the co-op to reduce the costs by more than half of the traditional event, while still allowing members to receive a bill credit and giveaway items. Thank you to all the members who participated in this event!



Annual meeting highlights

The 2023 Virtual Annual Meeting is available on our YouTube channel and a link is on our website at www.hwe.coop. The highlights from the annual meeting include:



Bill Kale
DISTRICT 2



Charlie Beagle
DISTRICT 7



Brian Terry
DISTRICT 9

- Districts 2, 7, and 9 requested interested members to submit petitions to run for a board seat. In districts 2 and 9, the incumbents ran unopposed and were re-elected by affirmation. Because no other members submitted petitions to run for the board, formal elections for districts 2 and 9 were not necessary. This saves the co-op mail and election costs. Bill Kale was reelected representing district 2, Charlie Beagle was reelected representing district 7 and Brian Terry was reelected representing district 9.
- The membership voted and approved reducing the board from 10 districts to nine. Our 10 existing voting districts were consolidated into nine by moving members in the eliminated district into neighboring districts. Per our Code of Regulations, the cooperative redistricts to ensure equitable distribution of members in each of our districts.
- During the annual meeting last June, Hancock-Wood members voted to change how members can participate in running for our board of trustees. The old nomination process was changed to a petition process by the approval of the membership. In 2023, any qualified member in the districts up for election was able to obtain a petition and was required to get 20 signatures for their name to appear on the ballot. By voting to change this process, the co-op is not required to send out a large mailing each year to ask for nominations. This change will save the cooperative thousands of dollars each year.
- The Board approved returning more than \$2.5M in patronage to members in 2022.
- In 2022, the average member experienced 1.9 outages and a total of 200 outage minutes for the year. Hancock-Wood crews responded quickly and safely to address outage issues. Even though

our electrical system totals almost 1,587 miles of line and covers ten counties, the average length of an outage was only 103 minutes. Those numbers place us in the top 25% for outage performance among cooperatives in the nation.

- Our operations department continued to prioritize routine testing and maintenance programs, to ensure reliable electric service. Crews inspected over 4,000 poles, replaced 117 rotten poles, and inspected more than 616 miles of distribution line.
- Rising material costs have forced the cooperative to make a distribution rate adjustment beginning in June 2023. The results of our third-party cost of service study calculated the need for a \$6 increase in the monthly service charge for each residential member. Your cooperative, under the leadership of your elected trustees, has been able to keep distribution rates flat since 2018, even though rates for electrical generation and transmission increased annually.

AT A GLANCE

\$2.5 million
RETURNED TO MEMBERS

AVERAGE OUTAGE
LENGTH

103 minutes

86

ACSI CUSTOMER
SATISFACTION SCORE

1.9

OUTAGES PER
MEMBER

10 COUNTIES
SERVED

Welcome, Jacob!

In May, Jacob Auld joined the co-op as an apprentice lineworker. Welcome to the co-op family, Jacob!



Ohio sales tax holiday on school supplies and clothing



Aug 4-6

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BOARD OF TRUSTEES

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Lee Anne Dierksheide
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Tim Phillips

Ed Crawford

Charles Beagle

Ron Riegler

Brian Terry

Bill Barnhart

President and CEO

PAYMENT OPTIONS

online, dropbox, office, by phone, or automatic bill pay

HAVE A STORY SUGGESTION?

Email your ideas to:
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Members First! 
HANCOCK-WOOD
ELECTRIC COOPERATIVE
A Touchstone Energy® Cooperative