

MESSAGE FROM THE GENERAL MANAGER

What sets co-ops apart from other power providers

Travel anywhere in the United States, and you'll be able to find a place to plug in your phone charger. While the power charging your phone in different regions may be identical, the organizations delivering it through the wires probably are not.

In the U.S., electricity is delivered through three types of power providers: investor-owned utility companies, sometimes called IOUs; public power systems, and electric power cooperatives. Two-thirds of American homes and businesses receive their electricity through IOUs. Public power companies serve 15% and co-ops deliver power to 13% of the nation's consumers. Although the three types share many characteristics, how they operate — and how that affects the users of the power they deliver — is strikingly different.

The biggest single difference is the profit motive. Public power systems and electric co-ops are not-for-profit organizations. That means their primary motive isn't to make a profit, but to deliver electricity to the homes and businesses they serve at the most reasonable cost. In other words, their first objective is service.

Compare that to investor-owned utilities. As the name implies, IOUs are owned by investors. Those investors hold shares of stock in the utility — each owning some percentage of the utility's assets. The goal of the IOU is to earn profits to raise the value of the stock and provide income to the shareholders in the form of dividends.

Public power systems are owned by municipalities and other forms of government, which means they're technically owned by — and accountable to — the taxpayers they serve. The people who run these government units want to keep the taxpayers happy, so their goal is to keep rates as low as possible. Similarly, co-ops are owned by the members they serve, and their primary motivation is to keep the cost of electricity as low as possible.

Decision-making is another differentiator. Investor-owned utilities are large corporations that may be headquartered hundreds of miles away from the folks

who pay the bills. If one of those customers has a concern, they'll likely have a difficult time getting the utility's management to listen.

For public power, the same officials elected or hired to manage things like streets and parks oversee operations.

Once again, co-ops are different. Their operations are managed by a volunteer board of directors made up of members. Those directors represent their neighbors and have an obligation to consider other members' concerns and preferences.

Infrastructure needs represent another key difference. Public power providers and IOUs tend to serve areas like cities, suburbs, and larger towns that have higher population densities. Most co-op service areas are in more rural areas and smaller communities, where members are more widespread. As a result, co-ops average just 7.98 members for each mile of power lines, compared to 32.4 customers per mile for the other types of power providers. Co-ops have to manage significantly more infrastructure for the number of homes and businesses they serve.

Co-ops also play active roles in building the economic strength of the places they serve through community support, economic development initiatives, by employing more than 73,000 Americans, and by paying \$1.5 billion in state and local taxes annually.

Unlike IOUs, which compete with other IOUs for attention from investors, making them less eager to share ideas and innovations, electric cooperatives work closely with neighboring co-ops and their counterparts across the U.S. That's because they're committed to the Seven Cooperative Principles, one of which calls for Cooperation Among Co-ops. Whether that involves a joint investment in generation assets like solar farms, sharing resources to eliminate duplication, or being co-owners of a generation and transmission cooperative, these close relationships improve all co-ops' ability to serve their members.



Bill Barnhart
PRESIDENT & CEO



Ed Crawford reelected to the NRECA Board

Congratulations to board trustee Ed Crawford on his recent reelection to the National Rural Electric Cooperative Association board of directors. This is Ed's third term on the board as the Ohio representative. NRECA is guided by a talented and engaged board of directors, leaders who are passionate about the cooperative purpose of powering communities and empowering co-op consumer-members to improve the quality of their lives. The association's 48-person board is composed of one locally elected director from each state in which a voting member of NRECA is located.

Help us welcome Brandon to the co-op!

Hancock-Wood Electric Cooperative welcomes Brandon Wise, who has joined the co-op in the position of Lineman III.

Brandon is from Norwalk, Ohio, and previously worked for Berkeley Electric Cooperative. Brandon is recently married and enjoys spending time with his dog, golfing, and watching sports!



Think Energy \$mart *with* Bruce

TOD rates can help you save money



Bruce Warnecke
ENERGY SERVICE ADVISOR

We have surpassed two years since Time of Day electric rates have been in effect for residential and small commercial services. I have spoken to many members about ways to use this new rate structure to their advantage. If you are able shift any of your electric consumption to off-peak hours (10 p.m. to 6 a.m.), you will see savings on your electric bill. Every

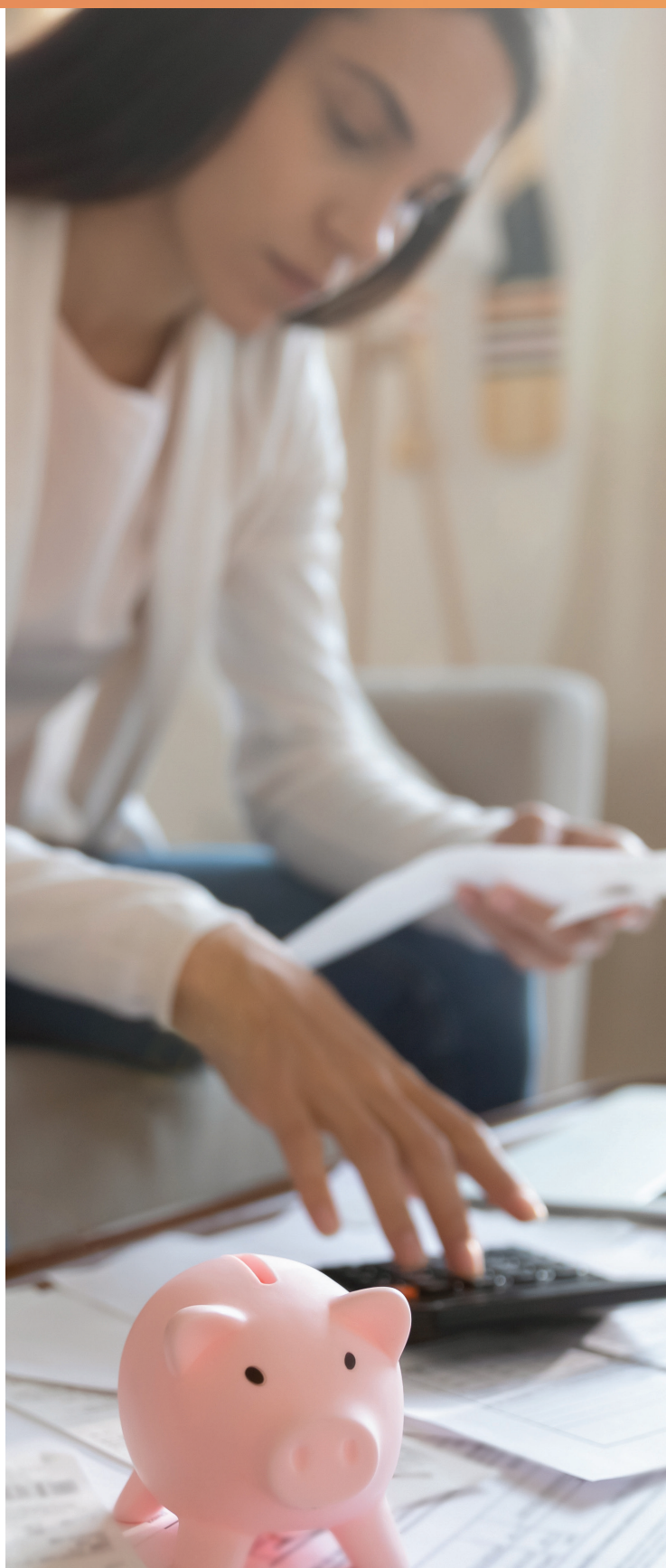
kilowatt-hour shifted to off-peak usage will result in a savings of 7.8 cents. Below is a list of devices that do not require 24-hour or on-demand operation, which you may want to consider operating off-peak by adding a timer, programming a start time, or manually operating outside of peak hours:

- Electric clothes dryers, which use approximately **2.25 kWh per load**
- Dehumidifiers, which use **.5 kWh per hour of operation**
- Dishwashers, which use **1.17 kWh per cycle**
- Space heaters, which use **1.5 kWh per hour of operation**
- Electric water heaters, which use **4.5 kWh per hour of operation**
- Swimming pool pumps, which use **1.75 kWh per hour of operation (for a 1-hp pump)**

Also, be sure to check the settings of your programmable thermostat for fan circulating operation only during off-peak time. Consider slightly raising your air conditioning operating temperature until 10 p.m., as well.

A realistic goal for most residential homes is to strive for 30% of your energy to be consumed off peak. You can track your progress monthly by dividing the off-peak reading on your electric bill by the total kWh reading.

If you have questions about your electric consumption, please give me a call at 419-257-5025. I am happy to help!



If you have any questions about how to best utilize this rate structure for your home, please contact me at bruce@hwe.coop.

Fall BINGO event at the co-op

Members are welcome to join us for a fall bingo event on Tuesday, Oct. 7, from 1 p.m. to 3 p.m. at the co-op office. Win gift card prizes and electric bill credits! Members can register by calling our office at 800-445-4840. Seating is limited to 50 members.

This is a member-only event and you must be 18 years or older to attend.

CONTACT

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