



HOLMES-WAYNE ELECTRIC COOPERATIVE LOCAL PAGES

MESSAGE FROM THE PRESIDENT/CEO and BOARD CHAIRMAN

As we shared in last month's publication, Holmes-Wayne Electric Cooperative has a mission to provide you safe, reliable access to electric power; to offer that service as affordably as possible; and to do both of those things in a fiscally and environmentally responsible fashion.

Because Holmes-Wayne Electric is a not-for-profit cooperative, we don't have to worry about distant shareholders. As an organization, we are well positioned to make any necessary investments to ensure safe, reliable, and affordable electricity.

As with most industries, we are all becoming too familiar with the unpleasant reality of high inflation rates affecting nearly everything we buy. Holmes-Wayne Electric has not adjusted rates for the past three years — and that's a testament to the culture established in innovation, efficiencies, and technological improvements.

In the past three years, we have seen increases not only in the cost of power generation but also in the high-voltage transmission service that delivers power to our substations. These factors put pressure on how much HWEC pays for power supplied to its system — on top of the rising cost of operating our own equipment. The price of the materials, equipment, and contract labor used to construct and replace our infrastructure has increased significantly, too. There has also been industry-wide elevation of the cost of right-of-way clearing and maintenance. We encourage you to review these cost increases on page 20.

GDS & Associates, Inc., an independent, nationally recognized consulting firm headquartered in Marietta, Georgia, worked with HWEC personnel to complete the financial projections, including the future cost of purchasing wholesale power, and derive the necessary rate adjustment to maintain and manage our distribution system.

In order to maintain a healthy organization and to meet loan covenants relating to the cooperative's financing arrangements through the USDA, senior management recommended a rate adjustment to the nine-member board of trustees. The board approved an adjustment based on their analysis of the 2023 financial projections.

On the following page, you will see the schedule for the new residential and farm rates and general service



Glenn W. Miller
PRESIDENT/CEO



Randy Sprang
BOARD CHAIRMAN

without demand that will take effect with the May 2023 billing cycle.

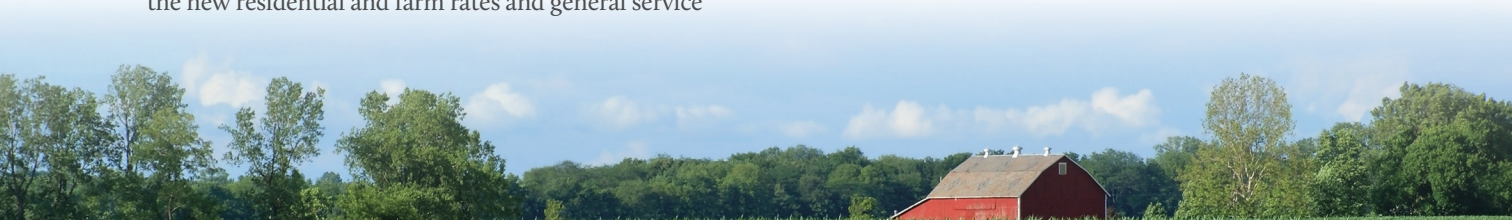
As you will see, the approved recommendations include changes to both our retail kWh rate and our monthly consumer charge, the fee that generates revenue needed to provide service to each meter in our 2,300-mile system.

Based on directives of the membership, we continue to improve reliability for the members through maintaining and improving our distribution infrastructure.

As the president/CEO, and speaking for the board, we understand our responsibility to set equitable rates for you, the members, while maintaining the financial stability of the cooperative. Upon reviewing the chart on the next page, we feel that we are accomplishing that delicate balance.

As always, we are here to serve you. Through this publication, our Facebook page, billing notes, and our website, we provide energy efficiency tips that you can use to reduce your consumption. Our on-staff energy advisor is available for questions and will even come to your home and provide a thorough energy assessment. In fact, please take note of the energy efficiency tips for the entire family on page 19. Small changes throughout the year, no matter what your age, can add up to big savings.

If you have questions regarding this rate adjustment, feel free to contact the cooperative. As always, we remain committed to providing the information and tools necessary to manage your energy consumption and electric bill.





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Holmes-Wayne Electric Cooperative, Inc., Adjusted rates and charges

As of the **May 2023 billing**, the following rate schedule will take effect.
Below are examples based on average consumption of each rate class.

Rate class: farm/residential

Average Residential Usage	<u>Current monthly bill (including PCA*)</u>	<u>New May 2023 monthly bill</u>
1,100 kWh of usage	\$161.75	\$176.37
	<u>Current power rate</u>	<u>New power rate</u>
First 2,000 kWh	11.900 cents	13.965 cents
Next 13,000 kWh	11.854 cents	13.919 cents
Over 15,000 kWh	11.798 cents	13.863 cents
Consumer charge**	\$20.65	\$22.75

If a transformer of more than 15 kVA must be installed, the monthly minimum bill will be \$22.75 plus \$1.00 additional for each additional kVA over 15 kVA.

Rate class: general service without demand

Average Usage	<u>Current monthly bill (including PCA*)</u>	<u>New May 2023 monthly bill</u>
600 kWh of usage	\$106.82	\$112.43
	<u>Current power rate</u>	<u>New power rate</u>
First 2,000 kWh	12.959 cents	14.405 cents
Next 13,000 kWh	12.913 cents	14.359 cents
Over 15,000 kWh	12.857 cents	14.303 cents
Consumer charge**	\$23.50	\$26.00

The monthly minimum for general service without demand accounts will be the greater of:

- A. \$26.00; or
- B. \$1.30 per kVA of required transformer capacity; or
- C. A contracted monthly minimum.

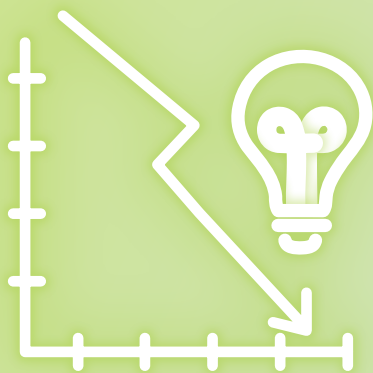
* PCA (Power Cost Adjustment) is the additional charge as a result of the actual power (generation and transmission) cost being more than the power cost that is currently built into our rates.

** The consumer charge is a monthly minimum cost incurred for each meter and not based on kWh consumption. This charge is each member/owner's proportionate share (per meter) of infrastructure investment in substations and distribution equipment.

Outdoor area lighting

	<u>Current rate</u>	<u>New rate</u>
Light on existing pole or member's pole	\$8.50	\$9.00

Any member who wishes to view the complete rate schedule may do so by contacting the Holmes-Wayne Electric Cooperative office toll-free at 866-674-1055. Members can also visit our website at www.hwecoop.com.



20 WAYS to reduce your electric consumption & reduce your electric bill.

1 Replace any lightbulb, especially ones that burn more than one hour per day, with a light-emitting diode (LED) bulb.

2 Seal from the inside. Air sealing is an inexpensive way to lower energy costs and improve comfort. Seal gaps and holes in walls, floors, and ceilings with caulk or foam sealant. Look for cracks around windows and where wires and pipes pass through.

3 Plug electronic devices such as cable boxes, printers, and TVs into power strips to turn off during vacations or long periods without use. Smart power strips make it an easy task to save money. Don't forget to unplug those charging cords, too.

4 Close shades and drapes during the day to help keep your home cooler in the summer and warmer in the winter.

5 Change your central HVAC system filter when dirty by the manufacturer's recommendations. Dirty filters can impact your home comfort and increase your electricity bill.

6 A 1-degree adjustment on heating or cooling setpoint can impact energy use by 3% to 5%.

7 Have your ductwork checked for leaks. Leaks at the return, air handler, and supply can be a major source of high bills. For mobile homes, check for leaks at the grill, crossover duct, and downflow air handler.

8 Set both the upper and lower water heater thermostats no higher than 120 F.

9 An electric space heater can cost more than \$125 per month to operate. Minimize their use, except for limited or temporary spot heating. Turn space heaters off when leaving the room.

10 Ensure refrigerator door seals are tight. Eliminate unnecessary refrigerators. An old fridge in your garage can use up to three times more energy.

11 Clean refrigerator coils annually so they can better disperse heat.

12 Use small appliances, like slow cookers or microwaves, instead of larger appliances like the stove and oven that use more energy.

13 Run dishwasher and washing machine only with full loads.

14 Install a water heater wrap and insulate hot water lines.

15 Clean dryer lint trap after each load so laundry dries more efficiently.

16 Ensure window A/C units are weather-stripped. Remove the unit in the winter and close and lock the window.

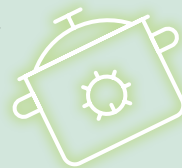
17 Keep fireplace dampers closed unless a fire is burning.

18 Ensure floor registers are not blocked with rugs, drapes, or furniture.

19 Plant trees and shrubs to provide shade on the east, south, and west sides of your home. Evergreen trees and shrubs can provide a windbreak on the north side. Look up before you plant; never plant large trees under power lines.

20 Make it a habit to turn off lights in unoccupied rooms.

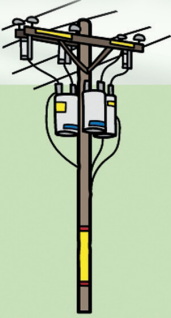
To learn more helpful energy-saving tips, visit your electric cooperative's website at hwecoop.com or follow us on Facebook for our Tuesday Tips.





HOLMES-WAYNE ELECTRIC COOPERATIVE LOCAL PAGES

HWEC cost increases (2019-2022)



POLES
56% INCREASE

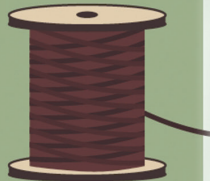
GAS
35% INCREASE

DIESEL
92% INCREASE

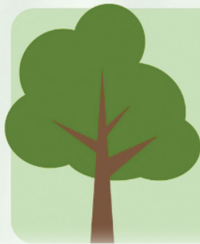


TRANSFORMERS
43% INCREASE

WIRE
68% INCREASE



**GENERATION
POWER COST**
15% INCREASE



TREE TRIMMING
40% INCREASE



TRUCKS
35% INCREASE



**Holmes-Wayne
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative

CONTACT

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