

MESSAGE FROM THE PRESIDENT AND CEO

Maintaining reliable electricity while costs continue to rise

I have always felt the most important part of your cooperative's mission statement is "provides safe and reliable electric service and competitive rates to our members." What does that mean, and how does the co-op keep rates competitive in the current economy? This month, we will discuss supply chain issues, escalating material costs, and how your cooperative attempts to balance their impact with providing reliable and safe electric service.

Over the past 12 months, our vendors have communicated the same message — escalating costs and lengthy delivery times for critical equipment necessary to operate an electric distribution system. Many of the standard equipment items aren't priced until shipped, and the shipping dates can't be guaranteed. Transformers are a major piece of equipment needed for the cooperative to connect to the transmission grid and provides electric service for each member. Since 2021, transformer costs have increased 30%, and several manufacturers have quit taking orders due to manufacturing restraints. The typical distribution transformer, located on a pole outside your home, cost \$738 in 2021 and now costs \$998. Hancock-Wood recently committed to purchasing a new transformer for our Arlington substation, due to a scheduled transmission upgrade. The Arlington transformer is estimated to cost \$511,063, which is a 57.35% increase over the last purchased substation transformer. Hardware, such as nuts and bolts, and wire have seen similar increases, with typical delivery times of 20+ weeks. Equipment for underground installations (what we use in a subdivision) is even worse, with delivery times exceeding 40 weeks. The result from these escalating equipment costs and equipment delivery delays has resulted in a 25% increase to our project costs.

You don't need me to tell you items are more expensive today than they were last year — we all see it at the gas pumps and the grocery stores. What you might be more interested in knowing is what the co-op is doing to help

control or offset the costs and how they impact rates.

Plant investments and rebuilding old distribution lines are critical to maintaining reliable electric service. The cooperative continually rebuilds old distribution lines and installs new ones. The cooperative owns and maintains almost 1,600 miles of distribution lines. Replacing lines at a pace of 20 miles per year would still take 80 years. Just a few years ago, I was on a job site where our crews replaced a pole that had been installed in 1938. To control costs, the engineering and operations department has deferred projects when appropriate and managed to complete our planned construction projects without outside contractors. This allows us to maintain the reliability of your electric service.

To protect our supply chain, the co-op has fostered long-term relationships with our vendors to ensure we can get the materials we need. Much like you are an owner of Hancock-Wood, all Ohio cooperatives partially own a transformer manufacturer to help minimize supply chain interruptions. These plant investments, which are impacted by escalating costs, are paid through a combination of the rates you pay today and financing over 30 years. As we discussed last month, these plant investments are reflected through your service charge and the distribution component of your electric bill.

Over the next several months, Hancock-Wood will be involved in a cost-of-service study that allows the co-op to fairly and equitably establish our rates. The 10-member board of trustees oversees this study and helps to determine what the best option for the cooperative will be in the future. We will communicate the results of our cost-of-service study once it is complete.



Bill Barnhart
PRESIDENT & CEO

Kelleys Island member spotlight

Rick Grenda, a Hancock-Wood member, has been coming to Kelleys Island since the 1980s. In 1997, he purchased a property to build his home away from home. His island house was designed to use the whole bottom level to store and showcase the antiques he has collected throughout his life. His collection offers a variety of items with a focus on car- and gas station-related history.

How long have you been collecting antiques?

I have been a collector my entire life. I've always been into cars and collecting old items I found interesting. I sometimes feel like I was born 100 years too late. I love to find Old West items and old car memorabilia. I've considered myself to be a car guy my whole life.

Why did you decide to keep your collection here on the island?

I decided to keep my collection here because I don't have any room at my property on the mainland! I have two hot rods in my garage and a couple of more gas pumps. At home, on the mainland, I don't have that luxury. When you purchase a house, you get what you get, there's only so much room that I had available to store my collection. On this Kelleys Island property, I was able to dedicate the entire room just for that. When I built this house, I dedicated the whole lower level just to my antiques.



What's the most unique item that you have in your collection?

The most unique item I have in my collection is my grand piano. It's unique — you don't see those very



often. When I tried to research this grand piano, there was nothing out there. I have done extensive research on the internet; this piano is a real rarity. The piano was at the casino for a long time.

Since the piano is rare, do you think it was made on the island?

It was made by a company called The Player Piano Company, but it's hard to get information from the company. I do not have much to say about them, because I am finding very little in my research. I do think my grand piano dates to the '20s, maybe even the '30s.

It is a player piano; therefore, you must put a quarter in it to make it work. The condition of the piano is good and works great. It's interesting to have a small part of history preserved in working condition to this day.

How can you tell the value of an antique?

The value of an antique is determined by its age and rarity. You also must make sure it's authentic. There are a lot of reproductions out there that people try to pass off as being authentic, which they're not. So, you need to be knowledgeable about what you're buying.

What is the oldest antique in your in your collection?

My oldest antique would have to be my 1925 Ford because I don't know the exact age of the piano. I have a bunch of items downstairs that are from the thirties, but I am not sure of how far back they are from. I know the Ford is from 1925.

How do items end up in your collection?

I have purchased the items in my collection over time. I started out on eBay. I do attend swap meets and visit antique stores and antique malls. I also purchase items from private ads.

Do a lot of people around the area know about your collection?

A lot of people know about my collection, but not many have seen it for themselves. If anybody would like to see my collection, they can come to the island, and I'll give them the 25-cent tour.



Run for our Community Trust Fund board

In October, members in districts 1, 4, and 7 are eligible to run for our Community Trust Fund (CTF) board. The CTF board is a six-member board, separate from the Hancock-Wood Electric Cooperative board, that reviews all the Operation Round Up grant applications quarterly and approves applications for assistance, based on demonstrated need and funds available. The board is responsible for reviewing applications prior to their quarterly meetings on the third Monday of February, May, August, and November. If you are interested in running for the CTF board, please contact Leslie Guisinger at leslie@hwe.coop or 419-257-5015.



**The Hancock-Wood
Electric Cooperative**

**office will be
closed on**

Monday, Sept. 5

**to observe
Labor Day.**



OurSolar community solar expansion complete

Buckeye Power, the statewide power generation cooperative for Ohio cooperatives, has more than doubled the size of its OurSolar project with the installation of nearly 8,000 new panels in a solar array near Findlay, Ohio. The community solar installation adds an additional 2.66 MW-dc of solar power generation to existing solar, hydro, and baseload power generation sources that include coal and natural gas.

This is the first expansion of Buckeye Power's OurSolar program, which began with its first solar array field installation in 2016. "This project was built with the help of many hands. The Hancock-Wood Electric Cooperative staff distinguished themselves with tireless effort and support," says Ben Wilson, head of the project and manager of power delivery engineering for Ohio's Electric Cooperatives. Wilson added this new field is a result of growing interest in renewable energy sources.

While Hancock-Wood remains committed to traditional sources of power, such as coal and natural

gas, this new solar field is an example of the company's continued investment and commitment to incorporate innovative ways to produce power and ensure a balanced approach toward energy production and generation. In addition to solar, other sources include wind, hydropower, and biomass fuels.

Buckeye Power is your cooperative's wholesale power provider. The installation and operation of this new solar array field brings Buckeye's total solar power generation capacity to 4.76 megawatts.

Hancock-Wood offers subscriptions to this community solar project for those members interested in plugging into the power of the sun. The program allows cooperative members to select solar energy as part of their power source as a less expensive and less intrusive alternative to installing rooftop solar panels on a home. Hancock-Wood will be reaching out to members who are on the waitlist for solar panels. If you are interested in subscribing to OurSolar, call 800-445-4840 to be put on our waitlist.

CONTACT

800-445-4840
FAX: 419-257-3024

WEBSITE

www.hwe.coop

OFFICE

1399 Business Park Drive South
P.O. Box 190
North Baltimore, Ohio 45872-0190

BOARD OF TRUSTEES

Gene Barker
Chairman

William Kale
Vice Chairman

Tom Kagy
Secretary/Treasurer

Lee Anne Dierksheide
Assistant Secretary

Tim Phillips

Ed Crawford

Duane Fry

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:
leslie.guisinger@hwe.coop

Members First! 
HANCOCK-WOOD
ELECTRIC COOPERATIVE
A Touchstone Energy® Cooperative 