

The Value of Electric Cooperatives

Why being a member of a co-op saves you money



**MESSAGE FROM
GENERAL MANAGER AND CEO DEBRA COLE**

THERE ARE THREE MAIN TYPES OF electricity providers in the United States. Investor-owned utilities, also known as IOUs, primarily serve densely populated areas. Municipal-owned utilities, or MOUs, serve cities from the very large, such as Dallas, to the very small, such as Goldsmith (population 270). And of course, there are electric cooperatives, such as HILCO Electric Cooperative, that primarily serve less populated parts of the country.

In the utility business, population matters. Because the costs are similar to serve any given area, more customers means more people to share the cost, keeping rates lower. At least that is the theory.

The density of service recipients is distributed this way, according to the National Rural Electric Cooperative Association: MOUs, which operate in cities and towns, have the greatest density at 48.3 customers per mile of line, generating an average of \$113,301 of revenue per mile of line annually. IOUs follow with 34 customers per mile of line, generating average revenues of \$75,498. Finally, electric co-ops average 7.4 members (not customers, but members) per mile of line, bringing in an average of \$14,938 in revenue per mile.



The cooperative business model helps keep electric rates reasonable for members, who often live in the less-populated areas of Texas.

HILCO EC currently serves 24,868 members, with 8.58 members per mile of line.

If I were to give this data to any business school in the country and ask, based on this information, what the rates should be for each of the utilities, the answer would likely be that electric co-ops should have a rate 7.5 times greater than MOUs and 5 times higher than IOUs.

However, that is not the case. Why not? It has to do with the respective business models. IOUs are owned by outside investors who may or may not be users of the electric utility they own. These companies' stocks are traded on Wall Street, and those investors demand a return on their investment. This drives up the price that their customers pay. Many municipal systems charge rates that generate a "profit" for their cities to help pay for other services.

HILCO EC operates on a nonprofit basis. Of course, we must generate enough revenue to cover costs (the largest being wholesale power), but we don't have to charge rates high enough to turn a profit for outside stockholders.

Because our members are our owners, we can provide safe, reliable and affordable power to you. That is just another way your co-op brings you value.



BOARD OF DIRECTORS

- George Thiess, President, *District 6*
- Joseph (Joe) Tedesco, Vice President, *District 4*
- Janet (Jan) Smith, Secretary-Treasurer, *District 7*
- Leroy Huff, *District 1*
- Margaret Hill, *District 2*
- Bill Allen, *District 5*
- Ron Roberts, *District 3*

Operating in Dallas, Ellis, Hill, Johnson and McLennan counties

GENERAL MANAGER AND CEO

Debra A. Cole

COOPERATIVE OFFICES

Itasca Headquarters

115 E. Main St. • P.O. Box 127
Itasca, Texas 76055
(254) 687-2331
1-800-338-6425

Midlothian

300A Silken Crossing
Midlothian, Texas 76065
(972) 723-2900

Whitney

4581 FM 933
Whitney, Texas 76692
(254) 694-5237
1-888-850-6551



CONTACT US

For information during office hours and outages after hours:

CALL US

(254) 687-2331 local or
1-800-338-6425 toll-free

EMAIL

hilco@hilco.coop

FIND US ON THE WEB

hilco.coop

We're Here To Help

FOR A VARIETY OF REASONS, electric cooperative employees may come to your home, business or other property. Here's a short quiz about co-op employees accessing private property:

True or False: Electric cooperative workers can legally come onto members' property on official co-op business.

True or False: Co-op personnel are reluctant to come onto members' property and do so only when it's necessary.

True or False: Texas law prohibits anyone from threatening co-op employees who are working to shut off electric service, change out meters, restore power, etc.

True or False: Threatening an electric cooperative employee with a deadly weapon is a felony.

True or False: Co-op personnel and contractors display logos on their trucks and uniforms, and carry ID to help members identify them on the job.

True or False: With a quick call to the co-op, a member can confirm that workers on their property were sent by the electric cooperative, and the reason for the visit.

Answers: All these statements are TRUE.

HILCO EC employees will only enter your property to take care of official co-op business. If you have a question about the presence of cooperative personnel on your property, please call us immediately at 1-800-338-6425.



It's not trespassing when a lineworker must enter your property to restore power.



HILCO EC
WISHES YOU A HAPPY
**MEMORIAL
DAY**

MONDAY, MAY 25
OUR OFFICES WILL BE
CLOSED IN OBSERVANCE
OF THE HOLIDAY

Win a \$50 Bill Credit!

As you're reading your Texas Co-op Power, look for the "hidden" account number in the local HILCO pages in the center of the magazine. If it's YOUR electric account number, call us before the end of May—you have won a \$50 credit on your HILCO electric bill!

(254) 687-2331 or 1-800-338-6425



BILLING SCHEDULE

Payments are due by close of business at 5 p.m. on the due date.

CYCLE 1

Billing Date May 5
Due Date May 21

CYCLE 2

Billing Date May 12
Due Date May 28

CYCLE 3

Billing Date May 19
Due Date June 4

CYCLE 13

Billing Date May 20
Due Date June 4

CYCLE 4

Billing Date May 26
Due Date June 11

Power Tip

If you're on a tight budget, installing storm windows is a cheaper alternative to replacing windows entirely. They can help keep your home cool in the summer and warm in the winter, while also lowering your energy bills by up to \$350 a year.

Committed to Safety

AT HILCO Electric, we are dedicated to safety. We strive to provide the safest, most reliable and affordable electricity to you, our member. The lengths we go to keep you, your family, our linemen and staff safe are a point of pride for us and are never taken lightly.

HILCO Electric believes in sufficient employee training, which helps prepare employees for emergency situations they may face in the office or out in the field.

“Safety of the cooperative means everything to me,” said Safety and Loss Control Supervisor Shane Rogers. “Our job is to ensure that all HILCO employees stay safe and go home to their families, as well as informing our members and the general public.”

HILCO maintains high standards when it comes to safety training for its employees. Our employees are required to attend monthly employee education and safety training sessions, which are taught by the co-op’s two safety instructors and Texas Electric Cooperatives instructor Wesley Caldwell.

Employees are offered an array of training, including CPR and first aid, blood-borne pathogens and electrical safety. HILCO linemen are trained in a variety of subjects, including pole safety and hurt-man rescue. This year, numerous employees will be taking defensive driving courses.

HILCO employees are encouraged to use their training in emergencies on and off the job. In fact, many employees have rendered aid to members and individuals until emergency personnel have arrived.

Safety training takes a lot of hard work and dedication, and the staff at HILCO Electric is committed to achieving and maintaining the highest safety standards for the protection of its employees and the community it serves.



First-Class Lineman Lance Henkleman performs the poletop rescue drill.



HILCO linemen Todd Anderson and Scott Sutterfield demonstrate a hurt-man rescue drill.



IT Director Matt Fehnel demonstrates the proper way to administer chest compressions during CPR.



Safety and Loss Control Supervisor Shane Rogers

HILCO EC Employee Becomes Certified Loss Control Professional

HILCO ELECTRIC COOPERATIVE'S Safety and Loss Control Supervisor Shane Rogers has completed an immersive program in electric utility safety and loss control. The loss control internship is a series of four one-week workshops offered by the National Rural Electric Cooperative Association in cooperation with the National Utility Training & Safety Education Association. The Loss Control Internship Program is designed to help participants in many areas related to safety and loss within the electric industry. The program requires participants to complete comprehensive tests and projects, including a 40-slide PowerPoint presentation that is graded by a panel of instructors. Rogers must also maintain his certificate and stay on top of changes in the industry by completing eight hours of continuing education each year.

According to the Occupational Safety and Health Administration, roughly 6.2 million injuries occur annually in the workplace. One of the goals of a certified loss control professional is to help ensure a safe work environment for workers and the general public. Avoiding workplace accidents cuts down on time off and, in the end, can lead to lower utility rates.

Rogers' goal is to ensure that HILCO employees stay safe and go home to their families each day, as well as keeping our members and the general public informed of safety measures to take when dealing with electricity. "The safety of the cooperative means everything to me and is what I love to do," he said.

Rogers has been with the co-op for five years. He graduated with a degree in occupational safety and health from Columbia Southern University in Alabama.

The NRECA/NUTSEA Loss Control Internship is one of the most exclusive educational programs in the nation for loss control professionals.

HEC Employees Share Real-Life First-Aid Stories

TRAVIS SANDERS, Assistant Director of Operations

Sanders was working the annual member appreciation picnic when he was alerted by another HILCO employee that a member appeared to be choking. Sanders immediately stopped what he was doing and ran toward the choking man. The first to respond, he was able to clear the airway by performing the Heimlich maneuver.

"I just happened to be at the right place at the right time," Sanders said. "It was a happy ending to a scary situation."

GREG SEWELL, Equipment Operator
TODD ANDERSON, First-Class Lineman

Sewell and Anderson were heading out for a day's work when they drove up on the scene of a one-vehicle rollover accident. Both men approached the car to find the occupant hanging upside down with the seat belt wrapped around his neck. Sewell and Anderson immediately went into action. Anderson cut the seat belt with his knife, and the men laid the driver down in the cab of his truck. Sewell got in the truck and checked his vitals and stabilized his neck until paramedics arrived. The gentleman made a full recovery, and both HILCO employees received the Texas Electric Cooperatives Lifesaving Award.

SHERI SANDERS, Billing Clerk

While driving to work one morning, Sanders drove up on an 18-wheeler that had lost control and flipped in a ditch. The first on the scene, Sanders noticed that the driver had a gash in his forehead from the broken windshield. She notified another Samaritan to call 911 while she applied pressure and first aid to the driver's wound. The driver suffered minor injuries and was transported to the local hospital.



Small Change Making a Big Difference

Your volunteer Operation Round Up Trust Board representatives and HILCO members are:

DEBBIE BROOKS
Chairwoman

JULIE SLOTVIG
Vice Chairwoman

MARTHA STRONA
Secretary-Treasurer

MIKE CREECH

JOAN GAMBLE

GORDON PICKETT

MIKE KUHLMANN

HILCO Members Making a Big Difference

Operation Round Up is a special HILCO program in which members voluntarily have their electric bills rounded up each month. That money is put in a separate fund to help organizations in HILCO's service area. A trust board meets to review applications, and funds are distributed once every quarter.

THE OPERATION ROUND UP TRUST BOARD met in January to review applications for the fourth quarter of 2014. Seven organizations were awarded a total of \$16,636 on January 29 at the HILCO office in Itasca.

HILCO directors and employees have been overwhelmed by the generosity of our members who have voluntarily agreed to have their bills rounded up to help others in our communities. The extra nickels, dimes and quarters are hardly missed individually, but together with other member contributions, they do so much good for organizations in our service area. Thank you, HILCO members, for your big hearts!

Deadlines to submit applications are on the last day of each quarter: March 31, June 30, September 30 and December 31. Our next deadline is June 30. Applications must be received by this date to be considered for funding this quarter.



HILCO members may have their names added to or removed from the program by calling one of our offices at (254) 687-2331 or 1-800-338-6425.

It's easy to sign up for Operation Round Up!
Just log on to hilco.coop, click on the Operation Round Up link, and we'll walk you through it.

CAROLYN FRANKS | DOLLAR PHOTO CLUB

OPERATION ROUND UP RECIPIENTS



Common Ground Ministries
\$1,000 for snacks/Friday meals for children
Diane Henley, HILCO Director Joe Tedesco and
Judy Helm



Lake Whitney Ministerial Alliance (Our Daily Bread)
\$1,000 to replenish food bank supplies
HILCO Director Ron Roberts, Diana VanWagner and
HILCO Director Bill Allen



Habitat for Humanity of Hill County
\$5,000 for building a home in the Hill County
Dean Bennett and HILCO Director George Thiess



Isaiah's Place
\$456 for resources/educational material and equipment
HILCO Director Ron Roberts, Diane Frederickson and
HILCO Director Bill Allen



Healing Hearts Center
\$4,680 for shuttle passes for nine families for one year
HILCO Director Leroy Huff, Kacye Harvey, Marilyn Jones, Alecia Peters
and HILCO Director Joe Tedesco



Campfire Creek Therapeutic Riding Center
\$1,000 for training and safety equipment
HILCO Director Leroy Huff, Cheryl Chambers, Emily Oliver and
HILCO Director Joe Tedesco



Heart of Texas Regional Advisory Council
\$3,500 for life jackets
Amy Perkins and HILCO Director Jan Smith

Electrical Safety During and After Storms

SEVERE STORMS CAN CAUSE MANY electrical safety hazards in and around our homes. To protect yourself and your family from storm-related electrical dangers, HILCO Electric Cooperative provides answers to common storm-safety questions.

Indoor Safety

How can I keep my family safe inside while it's storming?

- ▶ Stay away from windows and doors.
- ▶ Unplug electronic equipment before the storm arrives. During the storm, avoid contact with electrical equipment, cords and plumbing (including sinks, bathtubs and faucets).
- ▶ Limit the use of corded telephones to emergencies only. You can use cordless or cellphones safely.
- ▶ You should bring your pets inside to protect them. Doghouses are not lightning-safe, and chained animals can easily become victims of lightning strikes.

Outdoor Safety

What should I do if I am caught outside during a thunderstorm or lightning storm?

- ▶ Don't stand close to other people. Spread out.
- ▶ Lightning strikes the tallest available object, so if you are in an exposed area, crouch low, tuck your head and cover your ears. Do not lie down.
- ▶ Stay away from trees and metal. Don't hold on to metal items like bats, golf clubs, fishing rods, tennis rackets or tools. Avoid metal sheds, clotheslines, poles and fences.
- ▶ Stay away from water, including pools, lakes, puddles and anything damp—like grass or even wet towels. 44610002

What should I do if I encounter a lightning storm while driving?

Slow down and use extra caution. If possible, pull off the road into a safe area. Do not leave your vehicle and do not use electronic devices inside the car.

Power Lines

What do I do if I encounter a downed power line?

- ▶ Move at least 10 feet away from the line and anything touching it.
- ▶ Do not attempt to move a downed power line or anything in contact with the line. Even nonconductive materials like wood or cloth, if slightly wet, can conduct electricity and electrocute you.
- ▶ If you see someone who is in direct or indirect contact with a downed line, do not touch the person—you could become the next victim. Call 911 instead.

What if my car contacts a downed line?

Do not drive over downed power lines. But if you are in a car that has come into contact with a downed line, stay in your car. Tell others to stay away.

If you must leave your car because it's on fire, jump out with both feet together and avoid contact with the car and the ground at the same time. Shuffle away with small steps, keeping your feet together and on the ground at all times.

Flooded Areas

What should I look out for when my home is flooded?

Use extreme care when stepping into flooded areas indoors.

Submerged outlets or electrical cords can energize water, posing a lethal situation.

Do not use electrical appliances that have gotten wet until a qualified service repairperson can examine them. Electrical equipment exposed to water can be extremely dangerous if re-energized without proper reconditioning or replacement.

Does a flood affect my home's electrical system?

Electrical system elements such as circuit breakers, ground-fault circuit interrupters and receptacles can malfunction when water and silt get inside. If they have been submerged, have a licensed, qualified professional replace them.

Can flooded outside areas be dangerous, too?

Yes. Downed power lines or submerged outlets from adjacent homes could energize the water. Use extreme caution when entering any flooded area.



Severe storms can take down power poles and lines, creating a dangerous risk of electrocution. If you come across a downed power line, stay away and keep others away until help arrives.

FACES OF HILCO

Meet the People Who Work for You



Matt Fehnel has kept HILCO EC connected for more than 14 years as the director of information and technology. Fehnel's strong attention to detail helps to ensure that the co-op's system is reliable for members and staff. "Every day is different, and the pace of technological changes across the entire industry keeps it from ever being monotonous," Fehnel said.

In his free time, Fehnel enjoys gardening, woodworking, volunteering in his community and watching sports. He and his wife, Michelle, enjoy the time they share raising their two teenage daughters.

Felicia Guy has assisted the members of HILCO for more than 16 years. In 1999, Guy was hired as a dispatcher, and a year later transitioned into the position of member service representative, where she remains today. Guy says that she enjoys interacting with members and fellow employees, and takes pleasure in sharing ideas and being of great service to others and the cooperative.

When away from the co-op, Guy enjoys decorating, crafts, shopping and spending time with her husband, Tracy, and their three children and grandchild.



Abby Bason has been committed to serving HILCO EC members for more than 14 years as a member service representative. Today, Bason remains dedicated as a member service representative in HILCO's water division, where she is responsible for assisting with billing questions, creating service orders and generating annual reports.

During her time off, Bason enjoys spending time with her nieces and nephews and attending their sporting events.

Daniel Beam began his career with HILCO EC in 1996 as a meter reader. A year later, Beam started working as an apprentice lineman and has since become a first-class lineman. Beam enjoys his job and takes pride in making sure HILCO members receive safe, reliable power.

Beam enjoys his days off riding four-wheelers, camping and fishing with his boys. Daniel and his wife, Stacy, have two sons, Dylan and Wyatt.



Gena Brooks has brought a warm spirit and smile to HILCO EC and the members for more than 16 years. Brooks began her career as a dispatcher and later moved to various positions before finding her love for assisting members as a member service representative. Brooks enjoys working with the members of HILCO and makes sure each one gets the attention, assurance and respect they deserve.

In her free time, Brooks enjoys shopping and relaxing with her husband, Joe, and their two daughters.