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The future of our Co-op rests in your hands

For those of you new to Harrison Rural Electrification Association (and for those old hands who might need reminding), allow me to introduce each of you to one of the seven fundamental concepts upon which Cooperatives are founded — *Democratic Member* Control.

That means you, as member/ owners of our Cooperative, ultimately will decide who gets elected to the board and will determine the strategic direction of this organization.

How do you, as members, exercise control? When it is time to select directors to serve on the board, you attend the annual meeting (and/or regional meetings), and you mail in your ballot with your vote. The directors, as your elected representatives to the Cooperative, in turn, hire me. I am

Board of Directors

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Greg Robertson, Dist. 2Vice President
Darrell Powell, Dist. 6SecyTreas.
C.B. SharpDist. 1
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Ron WatsonDist. 5

Gary L. Jackson, General Manager Terry StoutOffice Manager Alan CoxOperations Manager Richard L. Fox.....Staking Engineer Nada McNemarEditor

> Office Hours 7:30 a.m. to 4 p.m., Mon. - Fri.

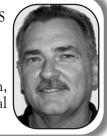
responsible for the employees who carry out the business of bringing you electricity. Hiring me, however, is not where the directors' duties end — by no means.

Our directors constantly must consider policies affecting the operation of our Cooperative, such as: How much must we spend on maintenance? Do we need a new substation? How will we build it? How will we finance it? How often do we update our technologies and facilities to keep our business efficient?

Being a director is not for everyone. The responsibilities are numerous, and the time commitments are considerable. Besides attending hours of meetings every month, each director must continuously educate him or herself about the complex business of electricity production and distribution. Additionally, your directors do not enjoy the same legal protection from lawsuits as those who serve on public agencies and boards. Directors can be sued as individuals and are exposed to a certain amount of personal and financial risk simply by being on the Cooperative's board.

Your directors attend training on their own time on such subjects as understanding the electrical industry, strategic planning and financial decision-making. Our directors can take a series of courses and receive their Credentialed Cooperative Director Certification, but the learning doesn't

Manager's Corner By Gary Jackson, CEO/General Manager



end there. Numerous other classes and seminars cover topics that become part of the director's pool of knowledge as he or she tries to keep abreast of issues affecting this ever-changing industry.

After learning the business. directors begin making the sometimes difficult choices that will affect the Co-op's future. The Coop leadership shares the concerns that you, the member, have. In these days of soaring profits and acquisitions, you can be sure, that as locally-owned-and-operated businesses, electric Co-ops have a real understanding of the people we serve.

Finally, your greatest opportunity to make yourself heard is at the annual meeting. In our democracy, participation of members is crucial. That is why it is important for you, if you care about how your Co-op is run, to attend these meetings, let us know when issues arise that need our attention and consider giving of your time, whether in service on the board or on other committees.

Co-ops are different from other forms of business because of their members and because of the way decisions about the business are made. We welcome and encourage your involvement. After all, it's YOUR Co-op.

Annual Meeting highlights

The 2008 Annual Meeting of the Members of Harrison Rural Electric was held on April 17, at Liberty High School. The meeting agenda differed somewhat from years past. We decided that it might be nice to serve our members dinner, and we think it didn't turn out badly considering this was our first attempt at such a big undertaking.

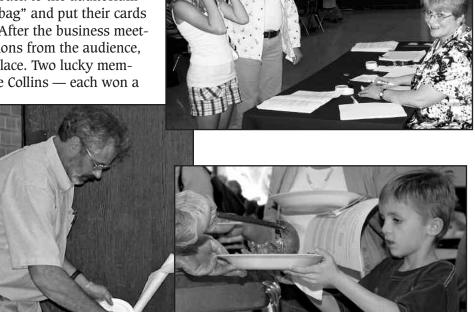
The dinner we served was prepared by Oliverio's Restaurant in Bridgeport. It consisted of penne pasta and meatballs, salad, bread and butter, and cake for dessert. We did run out of iced tea, but a quick trip to Food Lion remedied that situation.

We had 175 members in attendance, and we served 275 people dinner. Attendance was up from last year, and we hope it will continue to grow in the years to come. Each member received a \$10 energy credit on their electric bill for attending the dinner.

After dinner, the crowd moved back to the auditorium where they received their "goody bag" and put their cards in the bin for the prize drawings. After the business meeting, CEO Gary Jackson took questions from the audience, and then the prize drawing took place. Two lucky members — Rosemary Bragg and Steve Collins — each won a

\$100 dollar energy credit, and other members won such things as water purifiers, coffeepots, smoke alarms and fire extinguishers.

We hope you enjoyed the dinner and meeting, and we would like to thank our members for attending. We hope to see even more of you at next year's meeting.







Country Living/June 2008—35

Questions? Answers....

What is the "customer charge" I see listed on my bill, and what does it pay for?

The customer charge is the minimum bill our members pay each month whether they use any electricity or not. This charge helps your Co-op maintain costs and cover fixed expenses. Since HREA serves an average of six customers per mile of line, compared to investor-owned utilities that serve about 30 to 40 customers per mile of line, it costs your Cooperative more to install and maintain an electric service at our members' homes and businesses. Remember, that is why rural electric Cooperatives were formed in the first place — because the bigger investor-owned companies did not see any profit in providing service to such a sparse population — therefore, they refused to do it.

What does not-for-profit mean?

Not-for-profit companies provide services for which they are compensated. With the money earned, company expenses are paid. At the end of the year, after all operating costs are paid, any money left over is called a margin. At HREA, these margins are distributed back to our members (on paper) according to each member's kilowatt-hour use. The more electricity a member uses, the greater percentage of margin they accumulate. These distributed margins are called capital credits. These capital credits represent the members' investment into the assets that comprise the Cooperative's infrastructure. This investment is paid back to the membership through a general retirement at the end of the useful life of these assets purchased. For instance, if the Cooperative is financially able, and the board of directors decides to retire those credits accumulated

OOPS!!!



In the May issue of the Illuminator, years of service milestones were acknowledged for several of our employees. Unfortunately, the editor isn't getting any younger and has a tendency to forget things. Bookkeeper **Debbie**Yerkey will complete her 25th year with the Cooperative on June 20th, but the editor

failed to include her accomplishment in last month's article. After many humble apologies, we hope this special announcement just for Debbie will smooth things over. Congratulations, Debbie, for your many years of service to HREA. in 1988, 1989 and 1990, and Co-op member "A" had accumulated \$4.32 in 1988, \$0 in 1989 and \$10 in 1990, member "A" will receive either a credit on his bill or a check in the amount of \$14.32. The other type of retirement is an estate retirement. When both parties of a joint membership have passed away, the executor or administrator of their estate can file for a retirement of capital credits, at which time any and all accumulated credits in the deceased member's account will be retired and paid to his or her estate.

When does HREA's current wholesale power contract expire, and what does the future of power look like?

This is the biggest expense our company has. Our current contract is for five years and will expire in May 2009. With generation costs rising dramatically, we anticipate that a replacement contract for wholesale power will be much higher than it was five years ago. Rest assured, we are looking at any feasible alternative in order to bring you the cheapest electricity we possibly can.

(If you have a question and you would like to see your question answered in the monthly Illuminator, call the office or drop us a line, and we'll do our best to find an answer for you. Remember, this June newsletter is being completed in April, so any answers to questions will be delayed somewhat until time for the next publication).

Rick Fox represents HREA at Student Achievement Banquet

On April 28, the annual Student Achievement Banquet was held at Village Square Conference Center in Clarksburg. Since this program began in 1992, almost 600 scholarships have been awarded to students in the five public and one private school in Harrison County. The program's mission is to inspire and motivate students to achieve their maximum potential. The scholarships are \$500 in value and can be used at the student's discretion for books, room and board, computers, etc. The program is funded by area businesses and individuals.

Graduating seniors are evaluated by five separate judges on grade-point average (3.2 or above) and participation in school and civic organizations. Liberty High School had eight winners, one of whom lives on our electric system — Emma Huffman.

Harrison Rural Electric is proud to participate in this program. Since donors are invited to make scholarship presentations personally, Rick Fox attended the banquet as the Co-op's representative.

Congratulations, Emma, on being an exemplary student. All of us here at HREA wish you all the best.