



Harrison Rural Electrification Association, Inc.

RR 6, Box 502
Clarksburg, WV 26301-0502
800-540-HREA

Your Touchstone Energy® Partner
www.harrisonrea.com



Does it make sense?

AT THE RISK OF SOUNDING like some old *Seinfeld* episode, isn't it common for each of us to occasionally ask ourselves if either what we are doing or what we are about to do really makes sense? Recently, my wife and I were picking raspberries and blackberries, and it occurred to me that here we were with scratched-up arms, chasing off snakes and black bears, for a bunch of berries that she typically would use in a cobbler or homemade ice cream that neither of us can or at least should not be eating. Does this make sense?

The same question arises every time we discuss or debate a decision that needs to be made at HREA. Does it make sense? More pointedly, does the decision make sense in moving toward the accomplishment of a particular goal that still makes sense for the membership as a whole? Each of these decisions is based on facts sprinkled with a bit of educated

guessing as to how it will work out now and in the future. Given the current turmoil in the industry, with various parties fighting for control to regulate our lives based on their personal beliefs, sometimes the educated guesses get watered down to gut feelings. It seems that for every argument supported by an "expert" opinion, there is an opposite argument also supported by an "expert" opinion. Does that make sense? The bottom line is that decisions have to be made; just try to hedge your bets on that decision and prepare for sudden changes that affect it, and know that not everyone will agree with it.

Considering the above, we have been working on the cooperative's next workplan to be submitted to the U.S. Department of Agriculture's Rural Utilities Service. Based on data provided by our new technology, which was analyzed by our consulting engineering firm and our own experiences, we were able to identify what we consider critical projects that need to be completed. They include the 138-kV point of interconnection to the transmission grid at Chiefton, the Swiger Metering Point interconnection, and overall system line loss. All of these items are costly, so planning them out to eliminate or reduce the financial impact on the membership carries a lot of weight in developing each plan.

We have been discussing the

Manager's Corner

by Terry Stout,
CEO/General Manager



reliability issue with the transmission provider at the Chiefton Substation. Our argument is that they need to install in-line switching on the 138-kV line, while their argument is that their reliability on that transmission line meets minimum reliability standards set by the North American Electric Reliability Corporation, so we should pay them to install the switching capability. Does it make sense that the cooperative's membership should have to pay for them to charge three to four times the actual cost of installation to improve the quality of their transmission service? They already get paid, through PJM, a regional transmission organization, for transmission services via a Federal Energy Regulatory Commission (FERC)-approved tariff, so why should they be allowed to hold consumers hostage in exchange for fulfilling their responsibilities as a transmission provider? This will probably have to be decided through a formal FERC complaint.

The Swiger Metering Point interconnection points to the same type of indifference. At this location, the interconnection has a coordination issue that the provider is aware of and has had at least two work requests to correct. (Continued on page 20)

Board of Directors

C.B. Sharp, Dist. 1..... President
Glenn Cox, Dist. 3..... Vice President
James Stuart, Dist. 4..... Sec.-Treas.
Greg Robertson, Dist. 2 Ron Watson, Dist. 5
Philip McMillan, Dist. 6 Michael Cross, Dist. 7

Terry Stout, General Manager

Lloyd MasonIT Manager
Sam Satterfield..... Operations Manager
Scott Wyckoff Line Supervisor
Jon Paul McAllister..... Staking Technician
Missie Stephenson Accountant
Jodi Swiger Editor

Office Hours

7:30 a.m. to 4 p.m. Monday through Friday

Wired vs. Wireless — the pros and cons

As computers have gotten faster, the way they communicate with one another has changed. To wire or to go wireless — that is the question. But when is the right time for either, or does that even matter? Because there is a big difference between the two, the best way to tackle that question is to make a simple pros and cons list.

Wired Networking

Pros:

- 1) Wired connections are more secure.
- 2) Speed: Wired connections are faster.
- 3) Wired connections are inherently more reliable.
- 4) The equipment needed for wired connections is, in most cases, much less expensive.
- 5) Wired connections rely less on code for use. This is a plus for developers in today's heavily scripted environments.

Cons:

- 1) Wires need to be physically run through walls and ceilings, sometimes even floors, to connect machines together.
- 2) Wired requires a switch, hub, or router to enable communication between users or the Internet.

Wireless Networking

Pros:

- 1) It is much more portable, making it a game-changer for

- folks with an older home that are harder to wire.
- 2) Computing can be done almost anywhere.
- 3) There are fewer cables to deal with. Typically only the charger will have wires.
- 4) Wireless brings a smaller footprint, requiring less-bulky devices.
- 5) It requires only a modem or router for use on a network.

Cons:

- 1) Speed: Wireless connections are slower.
- 2) Distance matters: Farther from the transmitter means slower speeds.
- 3) More connection setup is needed for use in networking or just surfing the web.
- 4) They are much less secure.
- 5) Wireless devices are more expensive.

Both methods have merit. For some people, the question is one of convenience. To others, it's a matter of utility. Whichever method suits you best, we hope this has been an informative look at the issue.

Till next time @TECH CORNER.

LLOYD MASON is the manager of information technology at Harrison Rural Electric Association. He writes monthly on technology issues affecting our cooperative and members.

Does it make sense

As of yet, they have not made any effort to move forward with the needed correction. Despite numerous edicts from the Public Service Commission and constant complaints by the cooperative for the provider to treat the Metering Point as more than just one meter, and include the hundreds of meters served from that point, they continue to ignore the situation. Given these facts, coupled with no regulatory body willing to enforce that the providers make the required corrections, and the only real choice is to build our own 138-kV substation. That decision is sure to be riddled with trials and tribulations, given

the recent history with the Chiefton substation.

At least we do not have to deal with a transmission provider to address line loss issues. Line loss is the kilowatts expended through conductor, transformers, etc., and represents the difference between kilowatt-hours purchased and kilowatt-hours consumed. While line loss cannot be eliminated, it is possible to manage its impact on the electric system through well-planned maintenance and replacement projects that spread out the financial impact. Shortening our vegetation management cycle from 10 years to seven — actually, we may get it down to five or six years — has already brought positive results. Our belief is that conductor replacement projects will provide additional positives, so we are prioritizing sections for inclusion in our future workplans. Let there be no doubt this is not something that can be corrected quickly.

We believe these decisions make sense. They provide the best opportunity to improve service reliability for the membership while working in concert with current financial strategies.

I hope summer is treating you well. Despite it not making sense in one realm, we are off to the berry patch because a happy wife does make sense. ☺



If you see these HREA employees this month, be sure to wish them a very happy birthday!

Jodi Swiger August 9
Jon Paul McAllister August 30

ASSET ALLOCATION BASICS

BY ALLISON GOLDBERG

WHEN IT COMES TO INVESTING, asset allocation is one of the most important decisions you will make. And that decision should be guided by how much your portfolio needs to grow, how long until you will begin spending the money, and how well you tolerate market volatility.

As the U.S. Securities and Exchange Commission explains in its *Beginners' Guide to Asset Allocation, Diversification, and Rebalancing*, "Asset allocation involves dividing an investment portfolio among different asset categories, such as stocks, bonds and cash. The process of determining which mix of assets to hold in your portfolio is a very personal one... [and] will depend largely on your time horizon and your ability to tolerate risk." (Find the guide online at sec.gov/investor/pubs/assetallocation.htm.) The key is having a mix of investment types so you can take advantage of positive performance in one type while another may be experiencing lower performance. This process of diversification gives you the ability to be less affected by the inevitable ups and downs of the stock market.

ASSET CATEGORIES

Assets are usually divided between three common asset categories — stocks, bonds, and cash — though other asset categories exist, such as real estate and commodities. Investing carries many risks, but most people think about risk as being how much investments will go up and down. Stocks represent the highest risk but might bring the highest return over the long term. Bonds are usually less volatile than stocks but generally bring more modest returns. Cash and cash equivalents, such as certificates of deposit and money market accounts, carry the least risk — although inflation is a risk that is often overlooked — but with minimal returns. All asset categories can experience negative returns.

DIVERSIFICATION

Diversification is how you spread your money among and within different asset categories, and it is one way to reduce your risk. Looking across all your investment accounts, you will likely want to invest in a mix that includes cash, bonds, and stocks.



And within each of those categories, you would want to invest in different companies or entities. For example, rather than invest in just a few companies that might all run into problems at the same time, you would want to consider investing in many companies from different industries or countries. Mutual funds, which are made up of the stocks of many different companies, are one way to do this. Perform your due diligence and make sure you are satisfied by each mutual fund's diversification.

HOW TO ALLOCATE

Today, because of later retirements and increased longevity and expenses, some planners recommend subtracting your age from 110 or 120 to find the percentage of your portfolio that should be invested in stocks. However, to find the best asset mix for you, speak to your Certified Financial Planner (CFP). Alternatively, try the asset allocation calculator offered by your preferred financial news source, bank, or investment firm. Most online calculators will ask how far away you are from retirement and how much risk you can tolerate; some will request more detail. Use several to get a broad consensus, if you choose not to consult a professional.

Other solutions include lifecycle, or target date, funds that offer asset allocations determined by a target retirement date. The funds are invested in a mix of asset types and continuously rebalanced and reallocated, gradually becoming more conservative as the target date approaches. These funds are good choices for investors desiring a more hands-off approach. ☞

ALLISON GOLDBERG writes for the *National Rural Electric Cooperative Association*, the service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

SORTING THINGS OUT



Recycling is important for the future of our planet! Can you sort the items below into the correct bin? Write the name of the item in the correct category.

RECYCLE	GARBAGE



Water Bottle



Apple



Cardboard Box



Sandwich



Juice Box



Soda



Newspaper



Styrofoam Cup

Answer Key:
RECYCLE: Water Bottle, Cardboard Box, Juice Box, Soda Can, Newspaper
GARBAGE: Apple, Sandwich, Styrofoam Cup