

Balancing renewable energy with affordability

While renewable energy is often embraced as the answer to America's energy crisis, the price tag associated with its development — and how reliably renewable projects operate — often leaves a lot to be desired (See graph "The price of new generation" on page 17). It's clear that developing power generation resources like solar, wind and biomass to meet government renewable energy mandates will impact electric bills. The amount of this increase may depend on how closely Congress is willing to work with electric cooperatives.



Larry Elkins
General Manager
Holston Electric
Cooperative

Holston Electric Cooperative and the Tennessee Valley Authority, our power supplier, are committed to providing you with affordable and reliable power in an environmentally responsible fashion. And we want to work with Congress to ensure that rates for electricity don't rise too much as a result of any federal mandates requiring utilities to add a certain percentage of "clean and green" power to their generation mix. Investments in renewable energy must be made with the impact on electric bills in mind.

Co-ops are well ahead of the curve when it comes to investing in renewable resources. In fact, 11 percent of the power co-ops deliver nationwide

comes from renewables, compared to 9 percent for the entire utility industry. In years ahead, co-ops will bring much more renewable power on-line.

When it comes to meeting our nation's energy challenges, not-for-profit, locally owned and governed electric co-ops are offering Congress our experience on how to make the right choices on behalf of consumers. But we need your help.

Through the Our Energy, Our Future grassroots campaign, hundreds of thousands of electric cooperative members like you have sent more than 1.5 million messages to

Congress, asking lawmakers to focus on issues related to generation capacity, new technologies and keeping electric bills affordable when developing energy and climate-change policy.

If you haven't already done so, get involved in the campaign by asking your representatives on Capitol Hill this important question: Are you willing to work with electric co-ops like Holston Electric Cooperative

to ensure our nation has reliable power at a price consumers can afford?

To learn how to begin a dialogue with your elected officials, visit www.ourenergy.coop today. Affordable renewable energy is possible if we work together!

"If you haven't already done so, get involved in the campaign ..."



Our Energy, Our Future
A Dialogue With America



Serving more than 30,000 customers in Hawkins and Hamblen counties.



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Church Hill office

Highway 11-W and South Central Avenue
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General Manager

Larry Elkins

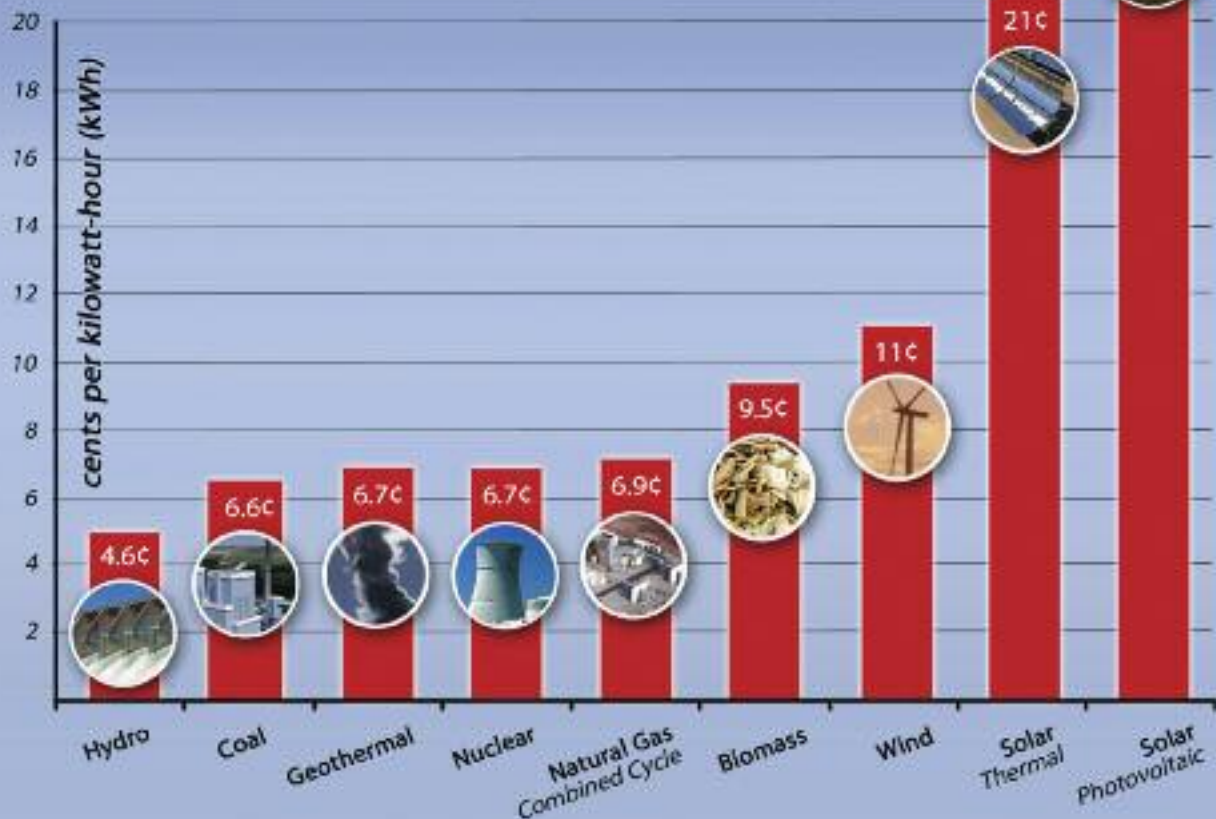
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To report an outage or electrical emergency, call 272-8821 or 235-6811 day or night.

When Pennies Count: The price of new generation

The cost to build new power plants can vary widely depending on how the electricity is produced. Each type of generation carries a ballpark price tag. The amounts shown below, based on each kWh produced, take into account plant construction, maintenance, fuel, and operating costs.



Estimates by National Rural Electric Cooperative Association using U.S. Energy Information Administration Annual Energy Outlook 2009 data

Holston EC pays taxes to local governments

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paid

Holston Electric Cooperative recently paid \$632,300 in ad valorem taxes for 2008. The ad valorem tax is based on the assessed value of Holston EC's infrastructure in each county and town it serves, including buildings, substations, transformers, poles and lines. This list shows the amount of ad valorem taxes Holston EC paid within each county and city we serve.

Hawkins County	\$458,980
Rogersville	\$ 46,689
Church Hill	\$ 21,554
Surgoinsville	\$ 7,482
Bulls Gap	\$ 1,920
Hamblen County	\$ 95,675
TOTAL	\$632,300

Shocking? May is National Electrical Safety Month

Protect your home and family from fires and electrocution

Electrical problems in older homes account for nearly 55,000 fires every year. These blazes cause more than 500 deaths, injure more than 1,400 and rack up \$1.4 billion in property damage.

The risk of such fires is significant since half of all homes in the United States were constructed and wired prior to 1973, according to the U.S. Census Bureau — before the advent of garage door openers or home computers. Even more telling, one-third of U.S. homes were built before hair dryers or electric can openers were even invented!

“As each year goes by, Americans consume more energy in their homes,” says Brett Brenner, president of Electrical Safety Foundation International (ESFI). “Many homes and electrical systems are simply being overburdened, which leads to fires, injuries and deaths.”

ESFI has created a checklist that lets consumers identify electrical dangers commonly found in each room of their home. Owners of older homes can upgrade their electric systems with newer fire prevention technology such as arc fault circuit interrupters. These advanced electronic circuit breakers detect dangerous conditions in a home’s wiring and cut off power before a fire develops.

Additionally, those living in older homes with children can install tamper-resistant receptacles. These devices look like normal electrical outlets, but they have a built-in shutter system that prevents children from inserting foreign objects into the slots. Use of tamper-resistant receptacles would prevent most of the 2,400 burns suffered by children each year from outlets.

More information and resources on National Electrical Safety Month can be found at www.electricalsafety.org.

Keep electricity from going down the drain

Water use and electricity go hand in hand. Heating water can account for 14 percent to 25 percent of the total energy consumed in a typical home. What’s more, systems used to clean public water supplies and deliver it to homes require large amounts of electricity. If your home receives water from a well or spring, the pump also draws power. So when we use water, hot or cold, we’re also using energy.

Techniques for trimming water use in your home are surprisingly simple. For one, you can significantly reduce hot water consumption by simply repairing leaks in pipes and fixtures like faucets and showerheads. A leak of one drip per second can cost \$1 per month.

You can also reduce water-heating costs in a matter of seconds by lowering the thermostat setting on your water heater. For each 10-degree reduction in temperature, you can save between 3 percent and 5 percent in energy costs. Reducing the setting also slows mineral buildup and corrosion in your water heater and pipes.

Although some manufacturers set water heater thermostats at 140 degrees, most households usually only require them set at 120 degrees. However, if you have a

dishwasher without a booster heater, you may require water temperature within a range of 130 degrees to 140 degrees for optimum cleaning.

Adding insulation to your water heater can save around 4 percent to 9 percent in costs. To determine if you need to insulate your water heater, touch it. A tank that’s warm to the touch needs additional insulation.

Insulating your water heater tank is fairly simple and inexpensive and will pay for itself in about a year. You can find precut jackets or blankets at hardware and home-improvement stores for around \$10 to \$20. Choose one with an insulating value of at least R-8. In addition, don’t set the thermostat above 130 degrees on an electric water heater with an insulating jacket or blanket — the wiring may overheat.

Installing insulation on gas- and oil-fired water heaters is more difficult. For these appliances, it’s best to have a qualified plumbing and heating contractor perform the work.

For more tips on trimming water use in your home, including pipe and water heater insulation techniques, visit www.energysavers.gov.

Local youth attend Leadership Summit

Alyssa Kiser of Cherokee High School and Justin Barton of Volunteer High School were among 44 high school juniors representing 22 electric cooperatives across the state who attended the Tennessee Electric Cooperative Association's annual Youth Leadership Summit March 16-18 in downtown Nashville.

"The annual summit teaches students about the important roles of electric cooperatives in Tennessee's rural communities and provides an opportunity for them to see, in person, the legislative process in the Tennessee Capitol," said Joe Jackson, TECA director of youth and member relations.

"Leadership Rocks" was the theme of this year's summit hosted by TECA and funded in part by the National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative financing institute that provides an independent source of financing to member cooperatives nationwide.

"We had another excellent group of outstanding students attend the summit this year," Jackson said. "It's no surprise, really, considering the highly competitive and selective process they undergo to earn a spot on the trip. Local electric cooperatives, along with school officials and guidance counselors, chose these students based on their interest in government and their leadership abilities."

"It is encouraging to see such motivated students in our service area," said Michelle Simpson, communications specialist at Holston EC. "These young people will one day be the leaders of our communities, and we are privileged to provide them with this opportunity to join their peers from across Tennessee to learn about state government and rural electric co-ops."

The summit kicked off Monday evening, March 16, with dinner at the group's hotel, the Millennium Maxwell House. Get-acquainted and leadership-development activities followed, led by cooperative employees and special guests, including 2008 Miss Tennessee Ellen Carrington and Tennessee Titans cheerleaders Lindsey Roznovsky and Melissa Hodges.

Students rose early on Tuesday, March 17, for breakfast and preparations for a visit to Legislative Plaza where they met their state legislators and sat in on House and Senate committee meetings. Amy Gallimore, director of leadership with TRI Leadership Resources LLC, gave an excellent presentation on leadership before TECA Director of Government Affairs David Callis introduced State Rep. Phillip Johnson of Pegram, who welcomed the students to Tennessee's capital and discussed the



In front of the State Capitol are, from left, State Sen. Mike Faulk, Justin Barton, Alyssa Kiser, Holston EC Communications Specialist Michelle Simpson and State Rep. Mike Harrison.

legislative process with them. Callis then explained current bills affecting cooperatives and described what everyone should expect from the legislative committees they were to visit.

The 11th-graders then took a tour of the State Capitol and moved on to Legislative Plaza, seeing state government in action and posing for photos in front of the historic Capitol. Kiser and Barton met Rep. Mike Harrison and Sen. Mike Faulk.

Following the visit to Capitol Hill, the group enjoyed lunch and leadership activities at a Nashville-area YMCA camp. After dinner, students were treated to a tour of Nashville before returning to the hotel for a special competition playing on the

summit's 2009 theme — a virtual "battle of the bands" featuring the interactive "Rock Band" video game. Finally, the busy day was capped off with an ice cream social.

Wednesday morning, the students learned more about Tennessee's electric cooperatives. The vital role co-ops play in the communities they serve was emphasized through activities in which students formed their own co-ops, making decisions on such important topics as rights-of-way maintenance, bill disputes and power outages. Later, they put it all together, answering trivia questions about electric cooperatives and the state in the "Energy Battle" competition.

"We offer these educational experiences for our students — our future members — because we want them to understand what makes a cooperative special," says Larry Elkins, general manager of Holston EC. "We want them to be able to appreciate their electric cooperative and understand why it was so important to form electric cooperatives in the first place," Elkins says.

Alyssa is the daughter of Donald and Mary Kiser of Bulls Gap, and Justin is the son of Robert and Tammy Barton of Church Hill.



Senator Mike Faulk congratulates the students on being selected to attend the leadership summit and encourages them to stay involved in their communities.

Washington Youth Tour Writing Contest winners announced



From left are Linda Jackson, junior English teacher at Cherokee High, and contest winners Sierra Nelson, third place; Katie Lawson, second place; and Julianne Price, first place and grand prize winner.



Morristown-Hamblen East High School Youth Tour Writing Contests winners are, from left, Stephanie Derochers, first place; Meggan Rowe, second place; and Bridgette Buchanan, third place.



Volunteer High School Youth Tour Writing Contest winners are, from left, Jessika Fletcher, first place; Charlie Bernard, second place; and Dillon Ratliff, third place.

Six area high school juniors recently won top honors in Holston Electric Cooperative's Washington Youth Tour Writing Contest. The top three winners from Cherokee, Volunteer and Morristown-Hamblen East high schools receive cash prizes or expense-paid trips to Washington, D.C., in June along with other contest winners from across the state.

Cherokee High School student Julianne Price, daughter of Jack and Georgeanne Price of Rogersville, is the grand prize winner among all three schools. Her story will be entered in the statewide competition for college scholarships. Katie Lawson, daughter of Mike and Cindy Lawson of Rogersville, won second place at Cherokee, and Sierra Nelson, daughter of Doug and Angie Nelson of Rogersville, won third place.

Morristown-Hamblen East High School winners were Stephanie Derochers, daughter of Alfred and Janet Derochers of Morristown, first place; Meggan Rowe, daughter of Todd and Melissa Rowe of Morristown, second place; and Bridgette Buchanan, daughter of Sheila Andrews of Whitesburg, third place.

Volunteer High School winners were Jessika Fletcher, daughter of Terry and JaLana Clingan of Surgoinsville, first place; Charlie Bernard, son of Bobby and Lisa Bernard of Church Hill, second place; and Dillon Ratliff, son of Rob and Donna Ratliff of Church Hill, third place.

The Washington Youth Tour is sponsored by the National Rural Electric Cooperative Association, Tennessee Electric Cooperative Association, Holston EC and 22 other electric cooperatives across Tennessee. The program started in 1964 as an effort to give young people an opportunity to learn about our federal government, observe the work of our elected officials in Washington, D.C., and gain an appreciation of our nation's rich history.

To determine the winners of the annual Youth Tour trip, students participate in a short story writing contest sponsored by Holston EC as part of a statewide program to help educate young people about basic cooperative values and the history of rural electrification.

Students in junior English classes this year wrote short stories titled "Electric Cooperatives: Energizing Our Communities." The theme encouraged them to learn how electric cooperatives help to advance the communities they serve in addition to providing reliable electric power.

Congratulations to the 2009 contest winners.