

Holston Electric Cooperative — now a Touchstone Energy cooperative

It's not just a change in appearance, but there will be noticeable changes in Holston EC's uniforms, truck decals, publications and signage. It's not just a change in name, but rather the acknowledgement of a new association with nearly 700 other cooperatives across the country. And it's not a change in the way we do business, but rather an increased focus on the needs of our member-owners of the cooperative.

Holston Electric Cooperative has joined the ranks of consumer-owned electric utilities across the country as a Touchstone Energy Cooperative. Touchstone Energy is a nationwide branding alliance that complements the local connection cooperatives have with their member-owners while providing the resources of a vast, integrated network of co-ops. Touchstone Energy represents more than 680 cooperatives in 44 states that collectively deliver power and energy solutions to more than 16 million customers every day. The program communicates the unique qualities of cooperatives to business and residential customers, reinforcing the dedication that co-ops have to serving member-owners with integrity, accountability, innovation and commitment to community. By overseeing national marketing and communications campaigns, employ-



Larry Elkins
General Manager
Holston Electric Cooperative

ee education programs and numerous events and projects that help co-ops strengthen and cultivate relationships with business and residential customers nationwide, Touchstone Energy ensures the benefits of consumer-owned electric utilities are recognized.

The Touchstone Energy brand will provide a distinctive symbol for those customers to identify with, feel a part of and take pride in.

It's much more than a graphic addition to our name and logo. It's a commitment to our customers that you can count on us, as a locally based and controlled utility, to deliver you innovative, reliable, affordable energy services and to be an advocate for your energy and community needs.


The dictionary definition of touchstone is a test of genuineness. Touchstone Energy symbolizes everything that electric

cooperatives represent today: electric power, human connections and the strength of co-ops' commitment to the communities and the consumers they serve.

We'll help our members cut through all the clutter. We'll be here for our members, our customers for the long haul. If it's accountability, service and commitment to community you want, look no further than Holston Electric Cooperative.



Holston Electric Cooperative

A Touchstone Energy® Cooperative 



Holston Electric Cooperative

Your Touchstone Energy® Cooperative 



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



1200 W. Main St.

P.O. Box 190

Rogersville, TN 37857

423-272-8821 423-235-6811

Web site: www.holstonelectric.com

Church Hill office

Highway 11-W and South Central Avenue

Church Hill, TN 37642

423-357-6441

Russellville office

Highway 11-E

Russellville, TN 37860

423-581-2066

Office hours: 8 a.m.-5 p.m.

Monday-Friday

General Manager

Larry Elkins

Board of Directors

President: Otis Munsey

Vice President: William W. Bales

Secretary-Treasurer:

Danny Cockreham

Lynn Parker

Phil Pierce

Danny R. Price

William F. Young

To report an outage or electrical emergency, call

423-272-8821 or 423-235-6811

day or night.

Holston Electric Cooperative Inc.

official notice of annual meeting

The 69th annual meeting of the members of Holston Electric Cooperative Inc. will be held at 7 p.m. Eastern Daylight Time on Tuesday, Oct. 13, 2009, at the headquarters (main office) building of Holston Electric Cooperative Inc., 1200 W. Main St., Rogersville, to take action on the following matters:

1. To receive the reports of officers and committees.
2. To elect three directors for a period of three years each. The following are nominees for directors for the districts indicated:

District 3: Bill Young (by nominating committee and petition)

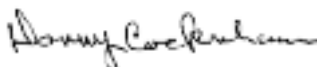
District 4: Danny Price (by nominating committee and petition)

District 5: Danny Cockreham (by nominating committee and petition)

3. To act on all other business that may come before the meeting or any adjournment thereof.

Member registration will be from 4-6 p.m. in the cooperative auditorium. In the case of membership held by married people, such membership shall in all instances be deemed to be held jointly by the husband and wife, and either spouse, but not both, shall be entitled to cast the vote of such membership at any regular or special meeting of members.

Signed by:



Danny Cockreham
Secretary-Treasurer
Holston Electric Cooperative Inc.

PLEASE NOTE

Any Holston Electric Cooperative member with special needs who plans to attend the annual meeting can contact the cooperative at 272-8821 or 235-6811 prior to the meeting date to make necessary arrangements.

Schedule of Activities and Events

- | | |
|--------------------|---|
| 4-6 p.m. | MEMBER REGISTRATION
(in auditorium) |
| 4-6:30 p.m. | FREE BARBECUE DINNER
(served by Hawkins County
4-H members and leaders) |
| 4:30-7 p.m. | ENTERTAINMENT |
| 4:30-5:30 | Appalachian Express
Chorus |
| 5:30-7 | Keith Longbotham Band |
| 7 p.m. | BUSINESS SESSION
Business meeting and direc-
tor election
(uncontested races) |

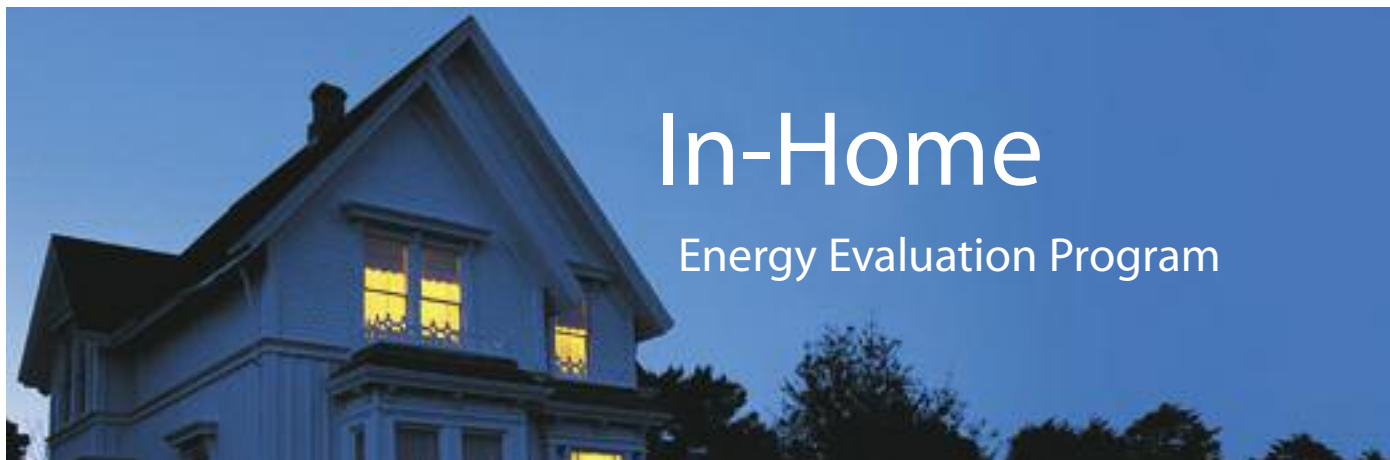
Door prize drawings immediately following the business meeting.



The Appalachian Express barbershop chorus opens the entertainment for the evening at 4:30 p.m. The Keith Longbotham Band from Nashville will take the stage at 5:30 p.m.



Don't miss an evening of great fun and great music! See the Appalachian Express Chorus and the Keith Longbotham Band at Holston Electric Cooperative's main office location in Rogersville on Tuesday, Oct. 13, from 4:30 until 7 p.m.



In-Home

Energy Evaluation Program

Holston Electric Cooperative and the Tennessee Valley Authority are making it easier than ever to become energy-efficient while also saving money. With the new In-Home Energy Evaluation Program, you can reduce your power use and receive a cash incentive **OR** financing assistance for installing home energy improvements. The recommended energy-related home improvements you make are eligible for reimbursement of 50 percent of the installation cost, with an upper limit of \$500.

Here's how it works:

- Contact Holston Electric Cooperative to arrange for an in-home energy evaluation by a TVA-certified evaluator. The fee for an in-home energy evaluation is \$150. However, if you make any of the recommended improvements costing \$150 or more, the fee will be reimbursed.
- The evaluator reviews your home and creates a report outlining the potential energy-efficiency modifications and available cash incentives.
- Modifications must be made by a member of the TVA Quality Contractor Network, except for self-installed insulation, caulk, weatherstripping and minor repairs. The evaluator will provide the names of qualified contractors.
- All home improvements must be completed within 90 days. Once the work is finished, it will be inspected to ensure that everything is installed properly to maximize savings.
- After the inspection, you submit receipts for the completed work to be eligible for the cash incentive. For financing, your contractor will be paid directly upon successful completion of the inspection.

Cash incentives:

No matter how many modifications are made, \$500 is the maximum reimbursable amount for all work done. Some modifications have lower maximum amounts, and some require distributor preapproval.

Financing option available:

- TVA financing is available with approved credit at 6-percent interest for up to 10 years. The minimum loan is \$1,500 and is payable on your monthly power bill.



Holston Electric
Cooperative



These items are eligible for a 50-percent cash incentive on recommended installation measures, up to a \$500 maximum, or financing. Some items may also be eligible for federal tax credits. For more information, go to www.energytaxincentives.org.

ELIGIBLE IMPROVEMENTS

ENERGY-EFFICIENCY MEASURE	REQUIREMENT	CASH INCENTIVE	FINANCING AVAILABLE?
Replace windows	Must meet Energy Star requirements (officially branded with a sticker)	\$500	No
Storm windows	Must meet <i>energy right</i> ® requirements	\$500	Yes
Duct repair/replacement and sealing	Existing HVAC only Air distribution only	\$500	Yes
Rehabilitation work	Minor repair work such as broken glass, glazing or prime door replacement and distributor preapproval	\$250	Yes
Replace HVAC All heat pumps included Dual-fuel heat pumps Air conditioning	Must meet Energy Star requirements Distributor preapproval for dual fuel or air conditioning	\$250	Heat pumps Dual-fuel heat pumps
Attic insulation/ventilation (must be nonpowered)	Must meet <i>energy right</i> requirements (weatherization)	\$500	Yes
Floor or perimeter insulation and ground cover	Must meet <i>energy right</i> requirements (weatherization) Where allowed by codes	\$500	Yes
Exterior wall insulation	Knee walls only R18 or greater	\$500	Yes
Water heater insulation	Electric only	\$50	Yes
Air sealing (including weatherstripping and caulk)	Must meet <i>energy right</i> requirements (weatherization)	\$500	Yes
Self-installed insulation, caulk, weatherstripping, rehabilitation (as defined above)	Only the costs of materials may be claimed Distributor preapproval	\$250	No
HVAC tune-up	Must be performed by QCN contractor	\$150	Yes

The following items are not eligible for the cash incentive or financing option:

- | | |
|------------------------------------|---|
| Water heaters (including tankless) | Storm doors |
| Clothes washers or dryers | Window film/solar screens |
| Dishwashers | Radiant barriers |
| Refrigerators | Room air conditioners |
| Insulated garage doors | Programmable thermostats (existing systems) |

**Holston Electric Cooperative Inc.
Retail Rate Schedule Effective Oct. 1, 2009***

	BASE RATE	FUEL COST ADJUSTMENT (A CREDIT FOR OCTOBER)	ADJUSTED RATE
Residential Rates			
Customer charge	\$ 9.00		\$ 9.00
Energy charge	0.08159	(\$0.00223)	0.07936
(GSA-1) Gen. power 0-50 kilowatts (kw)			
Customer charge	\$11.50		11.50
Energy charge	0.09335	(0.00220)	0.09115
(GSA-2) Gen. power 51-1,000 kw			
Customer charge	\$11.50		11.50
First 50 kw	0.00		0.00
Excess over 50 kw	13.26		13.26
First 15,000 kilowatt-hours (kwh)	0.09335	(0.00220)	0.09115
Additional kwh	0.04741	(0.00216)	0.04525
(GSA-3) 1,001-5,000 kw			
Customer charge	\$11.50		11.50
First 1,000 kw	12.90		12.90
Excess over 1,000 kw	14.44		14.44
First 15,000 kwh	0.09335	(0.00216)	0.09119
Additional kwh	0.04741	(0.00216)	0.04525

*These published rate changes reflect the wholesale rate increase announced by the Tennessee Valley Authority in August. The entire rate increase was passed on to Holston EC customers. These rates are subject to a monthly fuel cost adjustment by TVA.

TVA rate increase passed on through Holston EC rates

The 8-percent wholesale rate increase approved by the board of directors of the Tennessee Valley Authority in August will be implemented in Holston EC's rate schedule beginning in October. However, an 11-percent decrease in the fuel cost adjustment announced by TVA for the month of October will offset the base-rate increase. While amounts will vary across the Valley, residential customers can expect decreases in the wholesale portion of their bills that range from about 50 cents to \$4 in October.

While Holston EC electric rates will include the increase from TVA, the budget approved by Holston EC board members in August did not call for an increase in Holston EC's portion of the electric rates.

Holston EC has managed to maintain operations without a rate increase since October 2003. The budget that was approved by the Holston EC board of directors in August keeps HEC's portion of the total electric rates at the same level it has been for six years.

Holston EC pays nearly 84 cents of every dollar collected to TVA for purchased power. And even though total sales were down by nearly 50 million kilowatt-hours in the 2009 fiscal year and are already trending

down in the 2010 fiscal year, HEC is focused on maintaining service and dependability without increasing costs. HEC rates are the lowest of all cooperatives in Tennessee and are lower than any of our neighboring utility systems.

The TVA board also approved the proposal to change the fuel cost adjust-

ment mechanism from a quarterly to a monthly calculation. This should result in more accurate forecasting of fuel and purchased power costs as well as less dramatic swings in the FCA amounts.