

ENERGYLINES

News from Hoosier Energy for members and employees. | MARCH 2016 | Vol. 39, No. 3



LIGHTING THE WAY

Throughout 2015 Hoosier Energy and member cooperatives helped consumers Team Up through the Demand Side Management program. See story, Page 5

A CONVERSATION WITH
DAVID SMITH

Hoosier Energy Board
Director for two years.

SEE STORY, PAGE 7



COORDINATED MEDIA BUY

The materials for the Touchstone Energy Coordinated Media Plan are being finalized. Hoosier Energy is reviewing the messages of the “Voices” campaign to be certain they are consistent across the platforms of: television, print, digital and radio.

Look for new Touchstone Energy creative running in your local media beginning late March. The new creative highlights the “voices” of co-op employees and member consumers.

Glickman to ‘find the funny’ in the electric utility industry

Following lunch at this year’s Annual Meeting April 7 at the French Lick Resort, you will be entertained by nationally-recognized humorist David Glickman. Glickman will present a customized comedy and song routine focused on the rural electric utility industry.

Glickman has been a professional entertainer since 1985, appearing on nationally-televised shows and working with acts such as The Beach Boys, Steve Martin and Ray Romano.

Glickman will share common-sense business strategies fused with humor as he works to “find the funny” in a variety of issues affecting the rural electric utility industry.



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Uncertainty surrounds outcome of Clean Power Plan legal challenges

When the U.S. Supreme Court temporarily blocked implementation of the U.S. Environmental Protection Agency’s (EPA) Clean Power Plan, Hoosier Energy joined co-ops across the nation in applauding the 5-4 decision.

The unusual high-court move came as a welcome surprise to electric cooperatives, who advocate the benefits of an “all-of-the-above” power supply strategy that balances environmental concerns with reliability and affordability. The stay saves states and utilities from beginning to make costly and irreversible decisions to comply with the regulation before the courts have issued a final judgment on their legality.

But the death days later of Supreme Court Justice Antonin Scalia casts uncertainty on the ultimate legal outcome for the greenhouse gas regulations. The legal challenge could end up before a divided Supreme Court in 2017.

The DC Circuit Court is scheduled to hear oral arguments in the case in early June. Assuming the federal court issues a ruling this year, there is a good chance the vacancy on the Supreme Court will not be filled by the time the case arrives there in 2017. If the Supreme Court reviews the case and is split, the lower court’s decision stands.

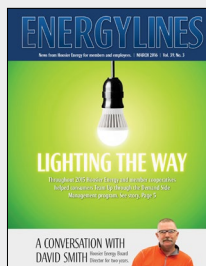
“No matter what happens, Hoosier Energy will continue to support an “all-of-the-above” power supply strategy that includes coal, natural gas, renewables and energy efficiency,” said Steve Smith, President and CEO.

Sources: EE News, ect.coop

EnergyLines is published monthly by Hoosier Energy's Communication Department for members, employees and retirees of Hoosier Energy.

ON THE COVER

The Demand Side Management program provides cost-effective ways to improve energy efficiency. This feature shows the top ways this program is helping consumers reduce their energy costs.



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Donna Snyder promoted to Executive Vice President

In recognition of her ongoing leadership contributions to Hoosier Energy and its member systems, Donna Snyder has been promoted to Executive Vice President and Chief Financial Officer for the G&T.

As Executive Vice President and Chief Financial Officer, Snyder oversees Hoosier Energy's Finance and Corporate Strategy division as well as the company's communications function. Corporate Planning now reports to Dave Sandefur, Vice President of Power Supply. These changes are consistent with Hoosier Energy's corporate objectives to further cross-functional collaboration across the company.

Snyder's leadership has been instrumental in Hoosier Energy's efforts on behalf of member cooperatives to engage state and federal officials on the long-term economic effects on electric cooperative com-

munities that could result from the Clean Power Plan.


Since joining Hoosier Energy in 1995 as Manager of Financial Services, Snyder has progressed

in increasing roles of responsibility. In 2003, she was named Vice President of Finance & Controller, then Vice President and Chief Financial Officer in 2008. In 2015, she was promoted to Sr.

Vice President and Chief

Financial Officer, taking on additional responsibilities in strategic planning.

Snyder earned a bachelor's degree in accounting from Indiana University and is a Certified Public Accountant (CPA). She also serves as the continuing professional education coordinator for the G&T Accounting and Finance Association.

Before joining Hoosier Energy, she was an auditor for Coopers & Lybrand LLP. 

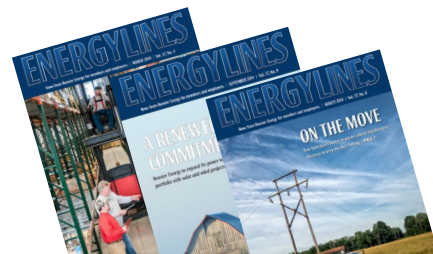


ONLINEEXTRA

EnergyLines online

Access to digital files of current and back issues of EnergyLines are available online. The back issue library dates to 2007 and all files are saved as portable document format (PDF).

>> Log on to view current and back issues of EnergyLines.
{www.hepn.com/energylines.asp}



Annual meetings with members highlight cooperative difference

Each year Steve Smith, President and CEO of Hoosier Energy, meets with the board of directors of each member system. Smith looks forward to the informal settings and considers them essential to member relations.


"The meetings give me the opportunity to hear what's on the minds of the Board of Directors for each member cooperative and discuss issues they are facing," Smith says.

As is his custom, he opens each meeting with an overview of how the G&T's key performance indicators reflect on its mission to provide members with assured, reliable and competitively-priced energy and services in a safe and environmentally acceptable manner. Hoosier Energy's mission statement, he emphasizes, is more than just words on a wall.

"Every decision we make, every day, is on behalf of our member systems," he says. "We live that mission every day."

In addition to spending face-to-face time with the directors, Smith also honors a long-standing Hoosier Energy tradition of returning patronage capital to each eligible member system. The practice of returning patronage credits to member owners is one of the unique characteristics that sets co-ops apart from other utilities. Money collected in excess of funds required to run the business, or margins, are allocated to the members in the form of capital credits. Hoosier Energy's by-laws authorize retention of margins for 25 years. Members then receive those additional credits in the form of a patronage check.

For Henry County REMC, this year is special with the REMC receiving its first patronage check. Smith said he remembers the day when Henry County REMC first joined the G&T in 1984. He thanked the cooperative for placing its trust in their power supplier's services.

Hoosier Energy returned \$6.2 million in patronage capital credits and \$2.9 million in special credits in 2015. Since 2000, the G&T has returned approximately \$96 million in patronage retirements and related special bill credits – a tribute to "the cooperative difference." 

Economic Development

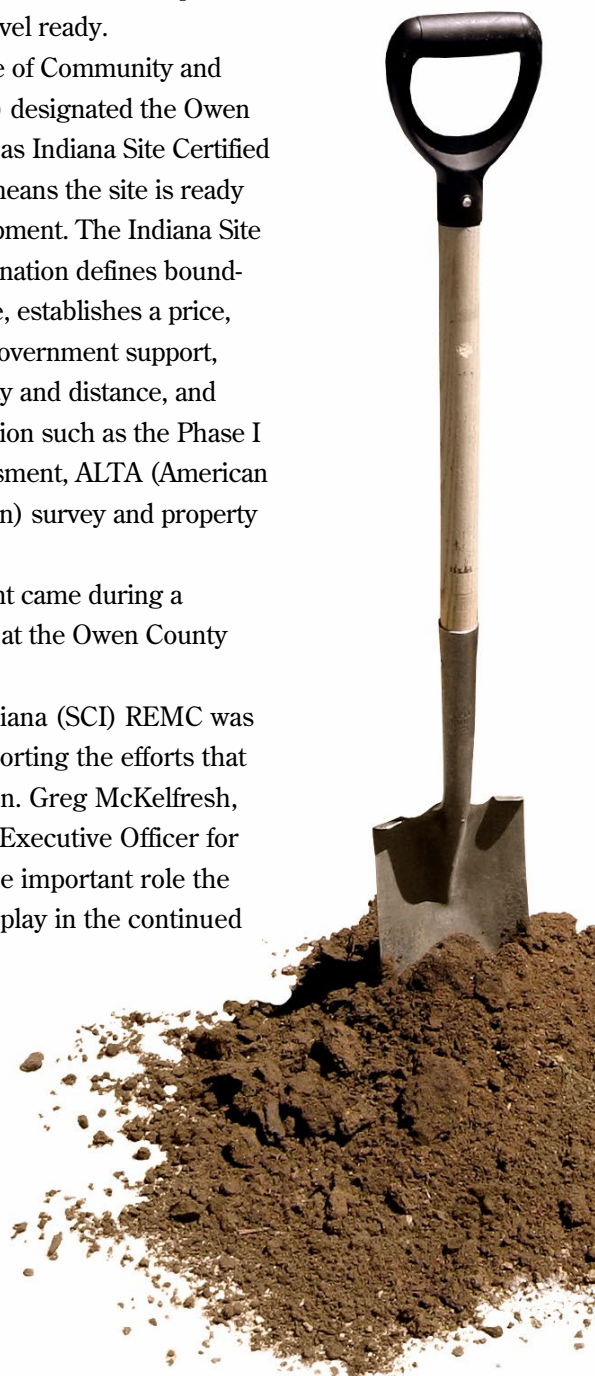
Site certification boosts development efforts in

In a boost to the economic development efforts of Owen County, a state agency recently certified the Owen Camp Industrial Site as shovel ready.

The Indiana Office of Community and Rural Affairs (OCRA) designated the Owen Camp Industrial Site as Indiana Site Certified (ISC) Silver, which means the site is ready for economic development. The Indiana Site Certified Silver designation defines boundaries with a clear title, establishes a price, demonstrates local government support, defines utility capacity and distance, and provides documentation such as the Phase I environmental assessment, ALTA (American Land Title Association) survey and property layout.

The announcement came during a ceremony on Jan. 21 at the Owen County Courthouse.

South Central Indiana (SCI) REMC was instrumental in supporting the efforts that led to the certification. Greg McKelfresh, President and Chief Executive Officer for SCI REMC, noted the important role the ISC designation will play in the continued



economic Owen County

economic growth of Owen County.

“Working together, state and community leaders are making a difference in fostering economic growth. Projects such as this ensure our community will continue to be a place where our children and grandchildren can grow and prosper,” McKelfresh said.

The 117-acre site is located off the new I-69 corridor near Hoosier Energy’s new Operations Center on State Road 43.

OCRA, in partnership with the state’s Fast Access Site Team (FAST), leads the Indiana Site Certified process which involves multiple state agencies including the Indiana Department of Transportation (INDOT), Indiana Department of Environmental Management (IDEM), Department of Natural Resources (DNR) and the Indiana Economic Development Corporation (IEDC).

The goal of the ISC program is to assist Indiana cities and towns in attracting business development.

Source: OCRA

Electric Cooperative Page Day

Students learn how state government works

In a real-world lesson on civics, 22 teens from Hoosier Energy’s member electric cooperatives gained a first-hand look at how state government works. They were among 55 middle and high school students participating in Indiana Electric Cooperatives’ Page Day at the Indiana State House on Jan. 25. During the program, students toured the Statehouse, participated in legislative session activities, met with their state representative and listened to Indiana Lt. Gov. Sue Ellspermann speak during lunch.

Participating students represented 24 of Indiana’s 38 electrical cooperatives, including nine Hoosier Energy member system cooperatives. [EL](#)



Courtesy IEC

From left, Jasmine Murphy, Jack Giltner and Meg Everwine from Clark County REMC stand with State Rep. Terry Goodin (D-Austin).



Courtesy IEC

From left, Jennifer Scheller of WIN Energy and Ayna Alvarado and Jessica Sanchez, both of Jackson County REMC, participated in Page Day at the Indiana State House.

DSM programs light the way

ENERGY MANAGEMENT PROGRAM HELPS MEMBERS INCREASE ENERGY SAVINGS

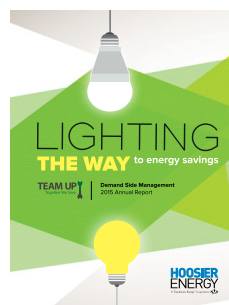
Throughout 2015 Hoosier Energy and member cooperatives continued to help consumers Team Up through the Demand Side Management (DSM) program. The program provides cost-effective ways to improve energy efficiency with a goal to reduce system peak demand and total energy sales by 5 percent from forecasted levels by 2018.



Shining a light on energy efficiency

More than 68,000 compact fluorescent lights (CFL) and light emitting diode (LED) lamps were distributed to consumers in 2015 bringing total distribution to almost 1.7 million bulbs since the program began. Member systems also

installed almost 7,000 LED security lights during the year. The lights offer good quality, use less electricity than conventional security lights, and have a substantially longer period of operation providing savings on lamp replacement.



2015 DSM Annual Report

A PDF of the 2015 report can be downloaded at hepn.com/DSM.asp

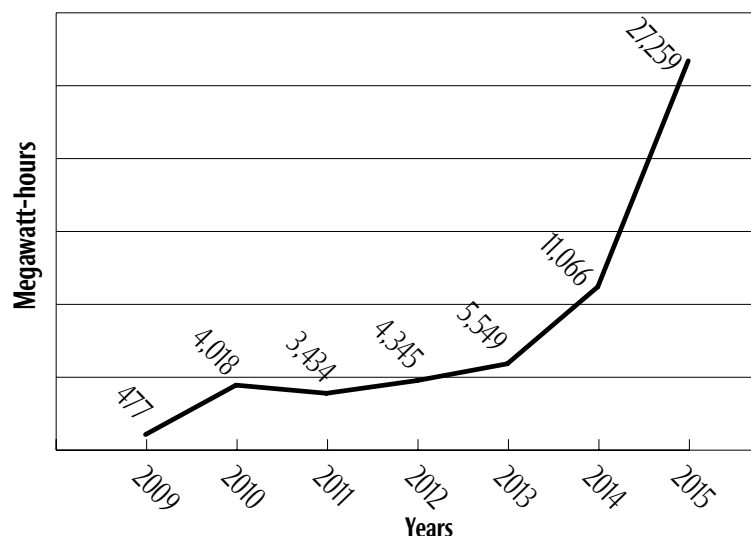
C&I growth through strong key account efforts

The commercial and industrial (C&I) program provides cash incentives and free, independent coaching to help businesses save energy and money. Incentives help purchase and install energy-saving electric equipment including: energy-efficient lighting; HVAC equipment; energy-efficient motors and compressed air systems.

Results increased in 2015 through 164 completed projects that are expected to save 27,000 megawatt-hours annually and avoid 3 megawatts of winter demand. Co-op and Hoosier Energy investment of nearly \$1 million leveraged about \$5 million in C&I investments in these energy saving enhancements during the year.

Annual energy savings in megawatt-hours

Energy savings through the commercial and industrial program has shown strong growth during the past two years. A driving force behind the growth has been increasing awareness of the program and new technologies in lighting.



HE photo

Positive progress made in HVAC program

Most electric consumers spend up to 48 percent of their energy bills on heating and cooling – making that the largest energy expense in most homes. Using a new energy-efficient system can greatly reduce those costs and improve your home's comfort.

Rebate applications for high efficiency HVAC systems, attic insulation and duct sealing increased almost 40 percent compared to 2014 with notable growth in air-to-air heat pumps, heat pump water heaters and duct sealing.

HOW TO VIDEO: Residential Energy Consultant Holly Yensel shows viewers the proper application of mastic in a how-to video. View the video on Hoosier Energy's YouTube page at [YouTube.com/MyHoosierEnergy](https://www.youtube.com/MyHoosierEnergy).

2015 efforts helped members improve energy savings

The portfolio of Demand Side Management (DSM) options meets member needs for both end-use energy efficiency and demand-reduction activities. Since 2009, installed measures are estimated to reduce cumula-

tive summer demand by 43 megawatts (MW), winter demand by 71 MW, and produce lifetime energy savings of about 2.6 million megawatt-hours (MWh).

Efforts in 2015 helped members

achieve a 53 percent increase in energy savings compared with 2014. The 48,019 MWh saved in 2015 is equivalent to powering nearly 430,664 50-inch LCD televisions for five hours every day for a year. [i](#)

Out of the Board Room

DAVID SMITH

Sporting an orange pullover and jeans, David Smith settles into his favorite recliner to share details of his life in southeastern Indiana. While some rural folks know he serves as an REMC board director, neighbors call him “friend” and only a select few know his true career identity – professor at Cincinnati State where he teaches computer-aided drafting.

Now in his 27th year at the school, Smith says, “Most people don’t know what I do for a living. I don’t want them to think I’m all high and mighty,” he adds, dismissing his role with a shake of the head. “I was raised to be in the background.” He is noticeably more comfortable at home on his 57-acre, Dillsboro farm, talking about family and recreational interests.

His wife, Patti joins him at home on her lunch hour on this mid-winter day, calling out to him as she comes through the doorway. The pair met in high school. He



HE photo

PROJECT TRUCK: David Smith is at home in his shop on the farm with his Harley and his 1968 Chevrolet C-10.

“I’ve used what I learned (through sports); it made me competitive. When I went back to school (college), I decided I would graduate at the top of my class.”

DAVID SMITH

was a basketball player in Lawrenceburg; she was a cheerleader from Farmer’s Retreat. While they attended different schools, they met at local hangouts and he concedes to “chasing her around.” While some serious injuries diminished David’s sports aspirations, he won over the girl of his dreams. The couple has enjoyed 35 years of marriage.

Those injuries from years ago often relegate David to his living room chair on sleepless nights. But for all the pain he endures, his short sports career fueled a lot of his ambitions. “I’ve used what I learned; it made me competitive. When I went back to school (meaning college), I decided I would graduate at the top of my class. I also learned a lot from my younger brother. He went into the Army at 17 and by age 18, he was flying helicopters. I was impressed when I saw him do that, and it challenged me to do more.”

With Patti seated within arm’s reach and music softly playing in the background, David shares details of how he became a stronger man.

“When we first got married, I didn’t want kids. I wanted to be the kid,” David says. But life would call him into adulthood. The first five years out of high school David worked construction, building coal-fired

About the series

This is the seventh in a series featuring Hoosier Energy Board of Directors in an “Out of the Board Room” series in EnergyLines. These personal stories are intended to build stronger relationships among us. A different Director from each of the 18 member systems will appear each month.

and nuclear power plants.

Sometime later he decided to pursue an Associates Degree in mechanical engineering technology. “But my wife challenged me, suggesting I might not finish. Well, that’s all I needed,” David says. His competitive spirit kicked in and he won the dare. He earned his degree and went to work for General Electric Aircraft Engines. But Patti got what she wanted, too. “As soon as I finished school, she wanted kids,” and the rest is history, says the self-proclaimed family man. “We’ve got two of the best,” – a son, Grant and a daughter, Elli. Both children are grown and married, the couple points out, glints of pride in their eyes. “We had a big year in 2014, two weddings and I was

finishing up my MBA,” David says.

Looking out the living room window, David and Patti have a view of their first home. Some years later they moved into their current residence. It is here, at “mile marker 2,” as David is quick to say, that this family of four has lived and played.

On this unseasonably-warm January afternoon, David sees his wife off to work and strolls from the house to the shop, intent on revealing his playful pastimes. Bart, the farm dog, falls short of any guard duties as he digs a hole in the pea gravel by the shrubbery, sunning himself and ignoring visitors. Meanwhile, David goes about explaining the property and his many hobbies.

He points out a hunting shack, just visible at the treeline toward the back of the acreage. He, his son, daughter-in-law and daughter, have made good use of the shelter. “Really, the focus of buying the farm has been more about them than anything. Patti and the kids have enjoyed a total of 12 years of 4-H projects in the original barn raising steers and swine. And as a dad, there can’t be anything better than seeing my son get a big deer,” David says. That would also explain the food plots planted near the shack. The couple grows clover and a type of brassica – a glorified turnip. “We need to >>



HE photos

make jerky so we need deer to come around,” he says, implying the connection.

While hunting has its rightful place in the Smith family, a Harley Davidson touring bike is an animal the couple conquers together. Opening the door to his 30 x 54 workshop, the bike is polished and ready for the next hard ride – not a Sunday afternoon jaunt. This couple puts “touring” to the test. As he talks, he throws his leg over the seat. He’s a natural - obviously something he’s done thousands of times.

“We took a trip along U.S. 50 to Sacramento. It was 5,229 miles in 11 days. We made it in five days out, stopping for very little. We just went for the scenery,” he says. That was his goal when he bought the bike in 2009. This six-year Southeastern REMC Board Director, who has served on the Hoosier Energy Board for two years, even rode the bike to the NRECA regional meeting in Norfolk, Va. in 2012. It’s a lifestyle for this couple.

“We rode all the time when we first got married. When we had children we went to four-wheelers, then that



ONE-OF-A-KIND HOT ROD: Whether it’s the paint job or the modified tailgate, this 1968 “project truck” serves as a window into the mind of David Smith.

AT HOME IN DILLSBORO: David and Patti Smith are happy with their careers, family and a rural Dillsboro farm to call home.

morphed into side-by-sides. Now, we're back to riding on two wheels," David says.

Well, most of the time, that is. This 2009 Road Glide shares garage space with another of David's passions of the four-wheeled variety – a 1968 Chevrolet C-10 that just can't quite find its lot in life. "It's a project truck," David says, referring to it as "kind of a hot rod" that he bought about 10 years ago. He calls it a daily driver, meaning it's a road warrior, complete with a few deer dings. The scars on this old classic are merely badges of honor in the hands of this professor/doctor. Every chip of the paint is an opportunity to try something new.

David bought the old "cheese grater," as it's fondly called, with a custom-louvered hood. Over time, he's continued

to modify the body and painted it several times - an outlet for his creativity.

David's many interests, beg the question of who first inspired him?

"I guess my father. He was a small contractor. As a kid, I got to go to the job with him. I got to dig ditches. (He laughs) There were benefits to that. For one, I was driving before anyone else.

"And while she's not the first to inspire me, for 35 years my wife has put up with my shenanigans. My wish for my students (the only time referencing what he is trying to teach his students) is that they could be as happy in life for as long as I have been. She's been a game changer for me. She's taught me a lot about patience." **[E]**

What words would you use to best describe yourself?

"Unpredictable" I think the board members would agree with that. (he laughs)

"Sometimes reserved" Nobody will buy that. (again laughs)

"Opinionated" no denying that.

"Talkative" I can't deny that either. I don't conform to the norm. Of course at college there is no norm.

"Family man"

Hoosier Energy board members attend NRECA annual meeting

Speaking Feb. 15 at the opening session of the 74th NRECA Annual Meeting, interim CEO Jeffrey Connor called on co-op leaders to step up their participation in the democratic process by using vote.coop to start a conversation about what co-ops stand for.

The Co-ops Vote campaign will help co-ops assert their priorities to politicians and elected officials while highlighting the leadership role they play in their communities.

"We're investing in Co-ops Vote to build a strong, new model of civic engagement to match the change in our political systems," said Connor. "At some point, our national politics will recover. Electric cooperatives will be there when that happens. We will help make it happen."

Source: NRECA



HOOSIER ENERGY REPRESENTATION: Attending a breakout session at the NRECA annual meeting is, from left, James Weimer, Eugene Roberts, Steve Dieckmann (back a row) and Jerry Pheifer.

ENERGYLINES

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Purdue Agriculture Alumni Association annual fish fry

The Purdue Agriculture Alumni Association invited former Purdue basketball coach Gene Keady and former Indiana University coach Bob Knight as guest speakers to their annual fish fry. The sold out event took place Feb. 6 at the Indiana State Fairgrounds.

Hoosier Energy's involvement in this event began about 20 years ago when former Bartholomew County REMC CEO Dan Arnholt became an officer. He was instrumental in changing the event into a "business light" meeting including Purdue music entertainment and effective speakers.

The event gives Hoosier Energy a sponsorship role that has fostered a relationship between the G&T and Purdue that includes research in a variety of topics including: steam power plant operations and the use of coal combustion byproducts such as gypsum.



Legendary basketball coaches Bob Knight and Gene Keady reminisced about the 20 years they led the Indiana and Purdue basketball teams to an audience of about 2,500 attendees at the annual Purdue Agriculture Alumni Association meeting in Indianapolis.



From left are Hoosier Energy CEO Steve Smith, U.S. Senator Joe Donnelly and Hoosier Energy Director of Public Affairs Randy Haymaker. Donnelly has proven to support electric cooperative and agriculture issues. He serves on the Senate Agriculture Committee that oversees the Rural Utilities Service and USDA Rural Development.