

# Power Lines

P.O. Box 329 Parker PA 16049  
www.central.coop



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## What's inside

Beginning on the front page of this issue of *Power Lines* and continuing through Page 3 is an informative article on CEC distribution rates for the coming year.



Why is your phone number important to us? Find out why on Page 4.

Congratulations to our Christmas coloring contest winner of a brand new bicycle. Page 5.

## Board of Directors

**Richard L. Weaver**  
*President/Allegheny*  
Director

**Margery S. Terwilliger**  
*Vice President*

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*Secretary/Treasurer*

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**Robert F. Schroth**  
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## Distribution rates to change

Effective with electric bills issued after March 1, the Cooperative is changing the rate you pay for the distribution of electricity.

The increase for all residential members will be \$3.55 per month regardless of usage. For a member using a Cooperative average of 850 kwh's, this will be an increase of 3.9 percent. For members using less, the percentage will be greater; for those using more, the percentage will be less. But for all residential members the increase will be the same: \$3.55 per month.

The change will increase the Cost of Service Charge to \$16.50 per month for residential customers. Other rate classifications will see similar changes in the Cost of Service charge, although the exact amount of change will vary by service classification. The energy or kwh charge for distribution, the fixed cost recovery charge, generation, and transmission will not change. With that said, I



Larry Adams  
CEO & General Manager

would like to explain some of the background for this change.

### What's Changing and Why

In 1999, Pennsylvania began the transition to consumer choice for electric consumers. This required the "unbundling" of rates and charges on your electric bill. So, rather than paying a rate for service that included all the service

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A Touchstone Energy® Cooperative 

### RATES/From Page 1

components, distribution, generation, transmission and transition charges, utilities were then required to develop separate charges for each component and show the charges separately on your bill. If you look at the bill you received with this newsletter, you will see what I mean. The change the Cooperative is now making will affect only the distribution portion of your bill. There will be no change in the rate for generation, transmission or the fixed cost recovery charge at this time.

Revenues from the distribution rate of the Cooperative go to pay for the cost of poles, wire, tree trimming, administration, and other costs of distributing electric generation to your meter. The Cooperative has operated for the past eight years on the revenue produced by the same distribution rate in effect in January of 1999.

Central was able to do this because inflation was moderate, interest rates were at historic lows, and by continued efforts to control costs.

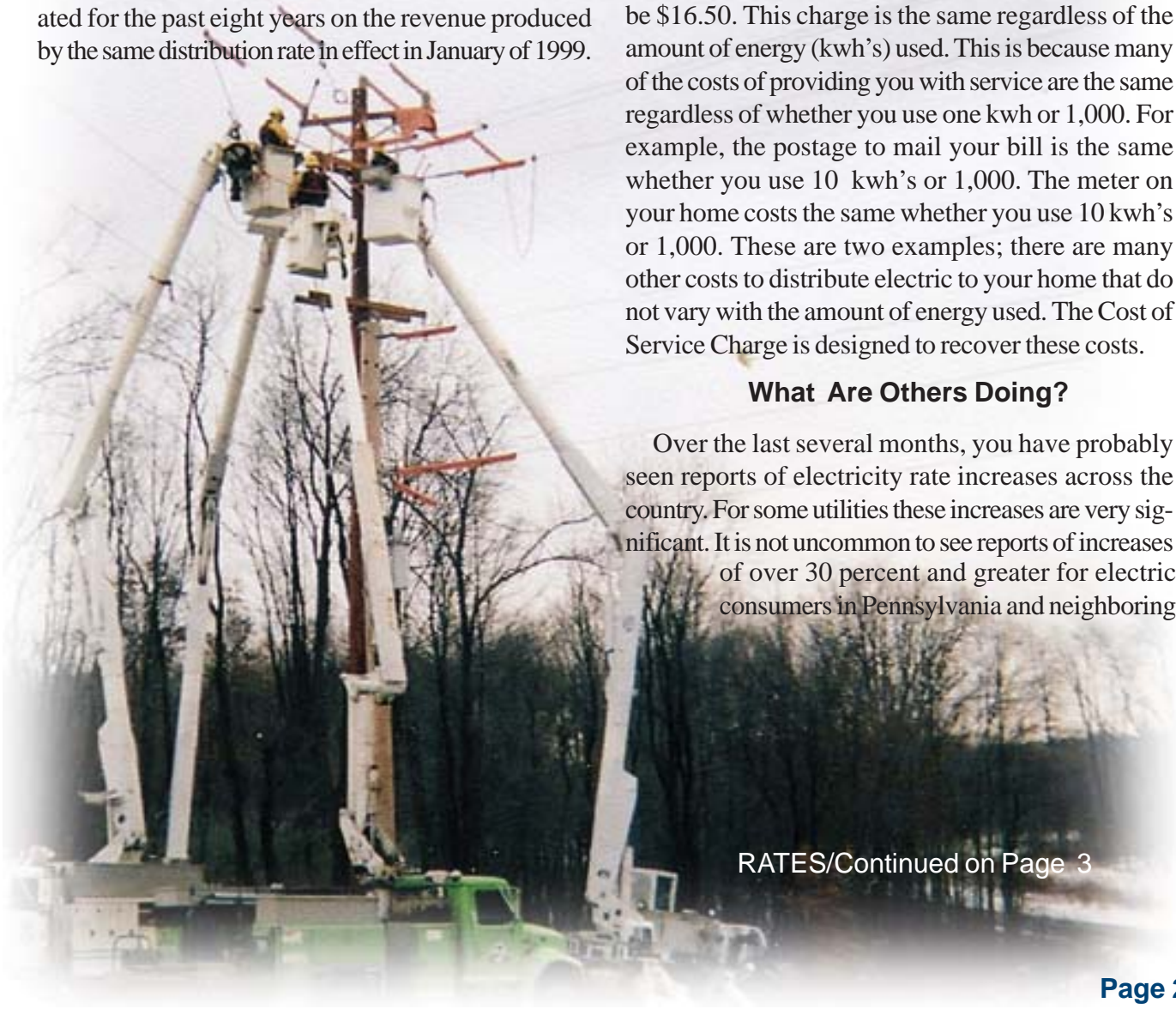
During that period we continued to invest in the distribution plant to replace old poles and wires and to upgrade capacity where needed to maintain and improve service. All these factors require the Co-op to make this change in its distribution rates in order to maintain a sound financial position.

The Cooperative recovers the local cost of distributing electricity in two ways: a Cost of Service Charge and an Energy Charge. The current residential Cost of Service Charge is \$12.95 per month; the new one will be \$16.50. This charge is the same regardless of the amount of energy (kwh's) used. This is because many of the costs of providing you with service are the same regardless of whether you use one kwh or 1,000. For example, the postage to mail your bill is the same whether you use 10 kwh's or 1,000. The meter on your home costs the same whether you use 10 kwh's or 1,000. These are two examples; there are many other costs to distribute electric to your home that do not vary with the amount of energy used. The Cost of Service Charge is designed to recover these costs.

### What Are Others Doing?

Over the last several months, you have probably seen reports of electricity rate increases across the country. For some utilities these increases are very significant. It is not uncommon to see reports of increases of over 30 percent and greater for electric consumers in Pennsylvania and neighboring

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states. This is happening now for two reasons. First, the prices for wholesale electric generation have increased dramatically since 1999. Second, the caps placed on retail electric rates because of the transition to consumer choice are expiring for utilities under the jurisdiction of the Public Utility Commission. (The caps prevented utilities from increasing rates above the cap regardless of changes in costs.) These two events are causing the significant increases customers of other utilities are experiencing.

### In Closing

Even though it has been eight years since the last distribution rate change, this decision by the Board of Directors was not an easy one.

We take little consolation from the fact that the rates of other utilities are increasing much faster than the Cooperative's; a trend I expect will continue for a few years.

However, we believe it is imperative that the Cooperative continue to invest and maintain the facilities you rely on for service.

I am pleased we have been able to keep this change to less than four percent of your bill when others are increasing rates much more. I also want to assure you we will continue to strive to provide value for the dollars you spend for electric service.

We want to be sure each member is aware of this change in rates and the need for it. Accordingly, we will be sending each member additional information about the change.

Please take the time to review this when you receive it. We will also be doing some future articles regarding the other portions of your electric bill, the generation, transmission and fixed cost recovery charges.



# YOUR PHONE NUMBER IS CRUCIAL TO US...



in helping to restore your power quickly!

**CALL 1-800-282-8610**

At Central Electric, it is our goal to restore your electric service during a power outage in the quickest and most efficient manner possible. This is accomplished through our automated Outage Reporting System, which can immediately pinpoint the location of your outage. In the event of a power interruption, all you have to do is call **1-800-282-8610**, our toll-free number, to report the power outage.

## HOW DOES IT WORK?

When calling to report a power outage, Central's Outage Reporting System instantly recognizes your phone number using the caller identification code provided by the telephone company; very similar to caller ID service. As you listen to the greeting message when calling, the outage system is searching for the account information containing the phone number of the caller. If you happen to be reporting an outage from a telephone other than what our records list as your active account, such as from a cell phone, the outage system will not recognize the number and will automatically prompt you to enter the phone number where the actual outage is occurring. Without the caller speaking a word, the dispatcher knows in seconds which account is experiencing the outage and where the account is located. There is no need to leave a message unless you know what is causing the outage problem. For instance, if a tree is down on a line or if a car has hit a pole, please leave a message. Otherwise, just hang up and the system will notify the dispatcher. Crews will then be dispatched as quickly as possible to restore your power.

## PLEASE KEEP YOUR CURRENT PHONE NUMBER ON FILE

In the event that the Outage Reporting System does not recognize you by your phone number, it will ask you to record a message. Please leave your name, the map location number found on your bill, and a phone number where the dispatcher can reach you. It is not necessary to give your address because your map number gives us that information. This situation may very well delay our ability to recognize your outage. So, please keep in mind that it is very important that Central Electric has your current phone number in our records so that the system can access your location immediately and dispatch a crew to fix the problem. Members who don't have their phone numbers listed in our customer records will be receiving a post card in the mail asking each to provide CEC with their current phone number. You may have more than one telephone number in our records for the same account for outage reporting purposes. For example, you can list your home phone number as well as your cell phone number. After receiving the card, please call us or provide any changes on your bill stub should your phone number change. Also be aware that cordless phones do not work when the power is off. Therefore it is advisable to have a regular cord phone in your home to report an outage or you can use your cell phone if you have one.

## WHY IS IT AUTOMATED?

It is always more reassuring to talk to a real person when a power outage occurs. Unfortunately, during an outage, many members call Central Electric at the same time to report it. In years past, only a few people could get through to tell us about a problem due to the limited number of available outage operators, leaving everyone else frustrated by the busy signal they reached. Today, the Outage Reporting System is able to instantaneously take calls on 10 lines and relieve the dispatcher from answering calls so that they may dispatch crews to the scene, thereby reducing outage time.

When the lights go out, we want your power restored as quickly as possible. With your help in keeping our phone records up to date, we can continue to provide you with a high level of service reliability!

# Interested in being nominated for a CEC Director seat?

Two members will be elected to serve on the Central Electric Cooperative's board of directors at the 70th Annual Meeting in August.

The selection of nominees to be voted upon is a very important process. This explanation is presented so you may have a complete understanding of how it operates. Cooperative bylaws require the annual appointment of a Nominating Committee consisting of no less than one member from each of the five counties having the largest Cooperative membership. The Cooperative's board of directors selected a five-member Nominating Committee at the January board meeting.

The committee's main duty is to provide a list of qualified nominees for director, which may include a greater number of candidates than are to be elected. The committee will post a list of nominees at the Cooperative's office.

Names of each nominee, along with a photo and background information, will be presented to the membership in the July issue of *Power Lines*.

When the Annual Meeting is held in August, there will be one director elected from Venango County and one director elected from Forest County. Each will serve until the next regularly scheduled board of directors meeting following the 2011 Annual Meeting.

Members who receive service from Central Electric Cooperative at their permanent residence, in the counties listed previously, are eligible to be considered as prospective director nominees. However, before being nominated by the committee, prospective nominees must meet all necessary qualifications as described in Article IV, Section 3 of the Cooperative's bylaws. Article IV, Section 4 of the bylaws also requires that any individual desiring to be nominated as a candidate must submit a petition (signed by 20 Cooperative members) to the Nominating Committee.

All members who are interested in receiving a qualifications list and petition should submit the coupon below no later than April 1, 2007. The qualifications list and petition form will be sent back immediately upon receipt.

If a member meets the qualifications as described by the bylaws, he/she will then submit a written request, along with the completed petition with 20 signatures, for consideration as a director nominee. The written request, which must include full name, address and telephone number, must be returned to the Nominating Committee Chairman at the address listed below by the deadline of May 1, 2007.

The petition filing deadline will be automatically extended by two weeks if there are no candidates by the petition process or incumbency as of May 1. The Nominating Committee will then be responsible for obtaining no less than two candidates for each seat on the board with no candidates. The Nominating Committee will meet on two separate occasions during May to review all written requests and petitions. The Committee's first meeting will be to review the 2007 Nominating Committee process. The second and final meeting will be to conduct interviews with each prospective nominee. Following the interviews the Nominating Committee will nominate director nominees for the Venango and Forest County vacancies.

Your board of directors has appointed a five-member **Nominating Committee** to review prospective nominees who wish to run for director this year. The 2006 committee consists of:

**Amrstrong County**

Harvey W. Loose  
343 Kittanning Hollow Road  
East Brady, PA 16028  
724-526-5860

**Butler County**

Donald F. Christy  
138 McKay Road  
Saxonburg, PA 16056  
724-352-9222

**Clarion County**

Charles R. Shreffler  
713 Snivelys Corners Road  
Emlenton, PA 16373  
814-797-5037

**Forest County**

Robert A. Klingensmith  
P.O. Box 92  
Tionesta, PA 16353  
814-755-3337

**Venango County**

Carl E. Gadsy  
1895 Millbrook Road  
Grove City, PA 16127  
814-786-7065

(Please print clearly.) **Name:** \_\_\_\_\_

**Please send me a qualifications list and petition for being a director nominee to the board of directors of Central Electric Cooperative.** **Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**County I live in:** \_\_\_\_\_

**Account No.:** \_\_\_\_\_

If you are interested in being considered as a director nominee please fill out this coupon and return it by April 1, 2007 to:

Central Electric Cooperative,  
Nominating Committee Chairman,  
P.O. Box 329, Parker, PA 16049.

# What's Cookin...



## CHEESE POPS

- 1 3-ounce pkg. cream cheese, softened
- 1 Tbsp. milk
- 1/4 lb. (1 cup) deli-style American cheese shredded
- 1 Tbsp. sliced green onions
- 1/4 cup finely chopped peanuts
- 18 pretzel sticks

Beat cream cheese and milk in a small bowl on medium speed, scraping bowl often until smooth. Add cheese and green onions. Continue beating until well mixed. Cover, refrigerate at least one hour. Shape into one-inch balls; roll in peanuts. To serve, place a pretzel stick in each ball.

# Read Power Lines and



Read your issue of Central Electric Cooperative's *Power Lines* and Win! It's simple - you can win a \$50 credit on your monthly electric bill by reading *Power Lines* and then completing the quiz that appears below. Answer the questions (answers are contained in each issue of *Power Lines*), then complete the quiz and personal information and return it with your bill payment.

### Important Contest Rules:

1. The contest is open to all Central Electric Cooperative members with active accounts as of the drawing date.
2. Only one entry per member is permitted.
3. Employees and Directors of Central Electric, along with members of their immediate families, are not eligible.
4. The winning entry will appear as a credit on the member's bill and may not be redeemed for cash.

*Complete, clip and enclose the quiz and personal information below and return it with your monthly payment!*



1. **True or False:** Revenues from the distribution charge on your bill can pay for poles, wire and tree trimming.

Answer: \_\_\_\_\_

2. **True or False:** This year's rate change represents less than four percent of an average bill.

Answer: \_\_\_\_\_

3. **True or False:** CEC's Outage Reporting System can instantly recognize your phone number when you call to report a power outage.

Answer: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_ Account Number \_\_\_\_\_

## CONGRATULATIONS!



Five-year-old Christiana Leu of Tionesta was this year's winner of the Central Electric Christmas coloring contest. Christiana, who lives in Tionesta with her grandparents and older brother and sister, also likes to ski! Central Electric thanks all of this year's participants for making our holiday windows brighter!

## The Staff

**Larry S. Adams**

CEO & General Manager

**Kenneth J. Clark**

Assistant General Manager

& Director of Communications and Marketing

**Dennis W. Beggs**

Director of Finance and Administration

**James F. Marron**

Director of Human Resources

**Fred E. Terwilliger**

Director of Engineering & Operations

**Lisa A. Hoover**

Director of Consumer Services

*Winner of December Power Lines quiz:  
Thomas Katavitch of Harrisville  
Congratulations!*

## Save Time & Money!



With Central Electric's Bank Draft program, you'll never have to remember to pay your bill - and it is our most cost-effective way to process your payment!

**Call 1-800-521-0570 to sign up now!**