

From the
CHIEF OPERATING
OFFICER:

Setting priorities



by Craig Eccher
*Executive Vice President
and Chief Operating Officer*

With the New Year upon us, I would like to share with you some of your cooperative's priorities for 2005.

To meet your expectations for dependable electric service, we will continue to concentrate on the reliability of our system. We will perform regular maintenance on our system, while keeping power line rights of way clear and deploying new technology that improves efficiency.

We will continue our system improvement program, which involves replacing aging electric lines, poles, and equipment. Our plans include a major construction initiative — rebuilding our Butler Hill substation.

A coordinated approach to system upgrades is crucial to maintaining

reliability. The deployment of new technology should further assist us in our efforts to improve reliability.

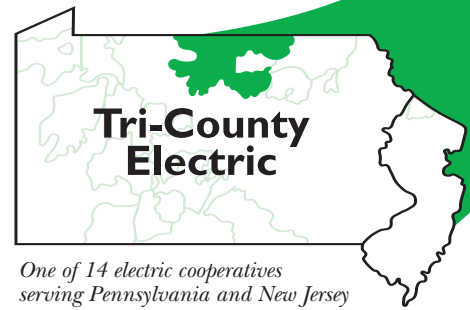
By the end of the year, we expect to have installed another 1,200 automatic meter reading (AMR) devices, bringing the total number of remote meter reading units on the Tri-County system to more than 3,000. These devices not only eliminate the need to send personnel to read meters at some very remote locations, they can also alert the co-op to power outages and other potential problems.

We will also be expanding our SCADA (Supervisory Control and Data Acquisition) system, which allows us to remotely monitor our substations and field devices — in essence serving as the eyes and ears of our electric system.

In addition to improving reliability through internal efforts, we should see better transmission reliability in 2005 as a result of a recent settlement agreement between the Pennsylvania Public Utility Commission (PUC) and our main transmission supplier, First Energy. That agreement came about after the PUC launched an investigation into First Energy's transmission reliability.

Our statewide service organization, Pennsylvania Rural Electric Association (PREA), was instrumental in the outcome of the settlement. PREA-member cooperatives, including Tri-County, had experienced an unacceptable increase in transmission-related reliability problems in recent years. I am optimistic this settlement agreement, which was reached in November, will lead to improved transmission reliability for many years to come.

Another area of constant focus at Tri-County is member relations. In 2005, we will continue to explore ways to better serve your needs.



*One of 14 electric cooperatives
serving Pennsylvania and New Jersey*

Along those lines, we will host educational programs for the benefit of members and the communities in which they live. Last year, we offered a stray voltage workshop for our agricultural members, a power quality seminar for our industrial and commercial accounts and several electrical safety programs for schools and other organizations. When it comes to electrical issues, education is a vital way of protecting the safety of co-op employees, as well as serving our members and their communities.

Tri-County will also be looking for ways to increase communications between the cooperative and members in the coming year. In addition to updating members each month through the local pages in *Penn Lines*, we keep the lines of communication open 24-hours a day through our locally staffed call center. If you prefer electronic mail, we provide a listing of contacts on our Web site, tri-countyrec.com. If you haven't visited our redesigned Web site recently, I encourage you to have a look.

As a democratically controlled organization, we will always be open to suggestions from those we serve. I have an open-door policy and encourage members to contact me to share their concerns or ideas for improving the cooperative. After all, providing members with top-notch service and a dependable flow of power must always be at the forefront of what we do here at Tri-County.

Tri-County Rural Electric Cooperative

A Touchstone Energy® Cooperative 

22 North Main Street • P.O. Box 526
Mansfield, PA 16933
Mansfield – 570/662-2175
Coudersport – 814/274-8740
Web Site: www.tri-countyrec.com
E-mail: trico@epix.net

For Emergencies call
1-800-343-2559

Robert O. Toombs

President & CEO

Staff

Craig Eccher <i>Executive Vice President and Chief Operating Officer</i>	John Lykens <i>Sr. Director, Electric Operations</i>
Annette Fowler <i>Executive Assistant</i>	Bert Cunningham <i>Director, Human Resources</i>
Barbara Johnson <i>Director, Financial Services</i>	Alex F. Hartley <i>Director, Member Services</i>
Ralph Park <i>Sr. Director, Engineering Services</i>	

Board of Directors

Ferd W. Irish Chairman
Ralph E. Snyder Vice Chairman
Alston A. Teeter Secretary/Treasurer
Donald H. Blackwell	Alfred G. Calkins
James R. Davis	Jay E. Haldeman
Gerald A. Kite	Barbara J. Seeley

Office Hours

7:30 a.m. - 4 p.m. (Mon.-Fri.)

Tri-County members save \$12 on their electric bills thanks to one-time cost reduction



Tri-County Rural Electric Cooperative provided some additional holiday cheer to its members by lowering electric rates for one month.

At its November meeting, the cooperative's board of directors approved a resolution to reduce the cost-of-service charge for all members by \$12. This one-time reduction applies to all rate classes.

The reduction was reflected in most members' December bills. However, some seasonal members will see the cost-of-service reduction on the bills they receive in January.

"This is one way we can give something back to our members," said Craig Eccher, Tri-County's executive vice president and chief operating officer. "With Christmas being the season for giving, the time of this rate reduction couldn't be more appropriate."

Eccher credits the cooperative's strong fiscal year for making the cost-of-service reduction possible.

"The cooperative didn't experience any major storm-related outages in 2004 and our employees and directors have worked diligently to hold down operating costs over the course of the year,"

Eccher said. "As a result we ended the year in excellent financial shape."

Because the cooperative is a member-owned, non-profit organization, Tri-County's board of directors decided to show its appreciation to members by approving the one-time cost-of-service reduction at its November board meeting.

"In light of rising energy costs and our better-than-expected financial results for the year, we felt it was appropriate to reduce each members' cost-of-service charge," Eccher said. "That's just one of the many benefits of membership in a cooperative utility."

Family-In-Need Fund It's common cents.

Tri-County has made it easy for co-op members to help their neighbors with the creation of the Family-In-Need Fund.

This volunteer program helps struggling members of the cooperative pay their electric bills. It's inexpensive and helps unite the entire co-op as members assist each other through difficult financial times.

Contributing is Easy

The concept behind the Family-In-Need Fund is simple. You allow Tri-County to "round up" your monthly electric bills to the next dollar amount. The difference between the round-up

amount and your actual bill amount — which can be no higher than 99 cents in one month — goes into this new fund.

For example, if your electric bill is \$100.32, then you would pay \$101. The extra 68 cents goes into our member assistance fund for needy families of the cooperative.

In addition to being a great way to help neighbors in need, participating in the program can also make balancing your check book easier.

A Few Cents Can Make a Difference

Your donation of less than a dollar a month doesn't amount to a large

sum of money over the course of the year. On average a member would end up donating about \$6 annually to the program.

But your pocket change, when pooled with contributions from all of the other participating members of the co-op, can truly make a difference for a needy family struggling to pay its electric bill.

Here's How You Can Help

If you would like to help others, the Family-In-Need Fund is an easy way to do just that. Just fill out the form below and enclose it with your next electric bill. If, at some point, you decide you no longer want to participate in the program, just call the office and let us know.

The success of this program depends on the generosity of members. Please send in your form today.

Yes! I want to become a volunteer for the Family-In-Need Fund!

I understand that my bill will be rounded up to the next dollar amount. My total bill will include my monthly contribution to the program, and I am responsible for paying that amount. I also understand that to stop donating to the fund, all I need to do is call the office.

Name: _____ Account No.: _____

Address: _____

Phone: _____

Your donation is tax-deductible. Thanks for helping.

Reporting an Outage

Even with the advances of our computerized outage system, members still play a vital role in the co-op's power restoration efforts.

The more information you are able to provide, the sooner Tri-County can have you and your neighbors back on line.

Here are seven simple steps to follow when an outage occurs:

1. Never attempt to fix or move an electric line yourself. Fallen lines often remain energized. Contact with live wires can result in injury or death.

2. Check your circuit breakers and fuses. If nothing appears out of the ordinary, see if your neighbors are also out of service.

3. Call 800-343-2559 or 570/662-2175 to report an outage. Operators are ready to answer your call 24 hours a day, 365 days a year.

4. Provide the telephone number of

the account that is out of service. Our operators can quickly pull up your account information and map location by typing your telephone number into the outage management system.

5. Report when you lost power. If you are unsure of the exact time, please tell us and offer your best estimate. Also tell us if all or only some of your lights are out, or whether your lights are flickering or dim.

6. Check on your neighbors. Tell the Tri-County operator whether or not your neighbors have electricity.

7. Give us the details. Be sure to tell our operators any additional information that may be related to the outage or helpful to our crews. Report the occurrence of downed lines, trees on electric wires, sparking transformers, flashes of light, explosions or unusual noises, broken poles, tree-blocked roadways, car accidents, etc.

CLIP & POST

Tune in for outage updates

As the mercury drops and the snow begins to fall, the potential for winter outages soars.

During widespread outages, Tri-County regularly sends bulletins to radio stations throughout the co-op's service territory. Be sure to have a portable radio and fresh batteries on hand so that you can tune in for updated outage information.



The following stations receive updates from Tri-County. If there are other radio stations that you would like us to include when distributing outage information, please contact Jeff Fetzer in the communications department by calling 1-800-343-2559 or send an e-mail to jfetzer@ctcenterprises.org.

Station	Frequency	City
WAAL	99.1 FM	Binghamton, N.Y.
WATS	960 AM	Sayre
WAVR	102.3 FM	Sayre
WBRR	100.1 FM	Bradford
WPIG	95.7 FM	Olean, N.Y.
WDKC	101.5 FM	Liberty
WFRM	600AM/ 96.7 FM	Coudersport
WGGY	101.3 FM	Pittston
WGMM	97.7 FM	Corning, N.Y.
WHGL	100.3 FM	Troy
WHKS	94.9 FM	Port Allegany
WHWK	98.1 FM	Binghamton, N.Y.
WILQ	105.1 FM	Williamsport
WKSB	102.7 FM	Williamsport
WLIH	107.1 FM	Wellsboro
WNBT	1490 AM/ 104.5 FM	Wellsboro
WNKI	106.1 FM	Corning, N.Y.
WMRV	105.7 FM	Vestal, N.Y.
WQKY	98.9 FM	Emporium

Co-op hires operations director

John C. Lykens has been named senior director of electric operations for Tri-County Rural Electric and its partner cooperative, Claverack REC. Lykens replaces Mike VanBergen, who retired from the operations department last July after nearly 30 years of service.

In his new position, Lykens is responsible for managing the cooperatives' electric operations and directing outage restoration and dispatching activities.

Lykens' services are being shared by the two cooperatives, as he splits his office hours between Claverack's headquarters in Wysox and Tri-County's main office in Mansfield.

"We are very pleased to bring John on board," said Craig Eccher, executive vice president and chief operating officer for Tri-County. "He brings with him a wealth of knowledge and experience that will be an asset for the cooperative."

Lykens earned a bachelor's degree in electrical engineering from Rochester Institute of Technology. Prior to joining the cooperatives, he was employed as an



John C. Lykens

electrical equipment supervisor with Penelec's Towanda division. Before that he was a distribution design engineer for Quad Three Group in Wilkes-Barre.

A native of Berks County, Lykens and his wife, Stacy, reside in Wyalusing with their daughters, Emily, Alicia, and Olivia.

Tips to lower your winter heating bills

With energy prices running high and the mercury dipping low, now's the time to take a few steps that should help you save money for the remainder of the heating season.

We've compiled a list of inexpensive, energy conservation projects and tips designed to help you contain winter energy costs. As a side benefit, you'll be doing your part to reduce energy consumption, which not only cuts down on power plant emissions but helps stave off the need to build more generation facilities

Here's what you can do to put more money in your pocket this winter and be a responsible energy consumer.

- Turn down your thermostat. You can reduce your heating bills by as much as 20 percent by simply lowering the thermostat from 70 degrees to 65 when you're home and to 55 degrees when you're away or asleep.
- If you stay alone in a large house, try to confine your activities to one room and heat the remainder of the house only to the low nighttime set point (55 degrees). Heat your daytime activity

room to a comfortable temperature with an electric space heater.

- Use electric blankets or quilts for sleeping comfort and to allow a lower nighttime thermostat setting.
- Clean or replace furnace filter as often as it gets dirty. Have heating system cleaned, inspected and tuned by a qualified service professional annually.
- Check for drafts around doors and windows, and replace weather stripping and caulking where necessary. Use weather stripping for air leaks around moving parts like windows and doors. Use caulking for stationary structures like window frames and walls. Caulking that is cracked or shrunken should be replaced.
- For drafty windows, the best option is to replace them. But if that is not a possibility, you can purchase a storm window kit, which is used to place a clear plastic film on the insides of your windows, sealing them from drafts. You can also install window quilts or insulated window shades to keep cold air from entering your home.

- Make sure all windows and storm windows are closed and latched.
- Examine your home for air leaks, paying particular attention to the attic area. Keep an eye out for spaces around electrical wiring, plumbing and vent pipes, areas above recessed light fixtures and where walls are not completely sealed at the attic, such as stairway and interior partition walls.
- Insulate and weather strip your attic door and make sure it closes tightly, stopping warm air from escaping.
- Install inexpensive foam draft blockers or gaskets around all of the electric outlets and wall switch boxes located on outside walls.
- Keep the damper on your fireplace closed when you are not using it.
- Clean and vacuum baseboard heaters, heating ducts and vents. And while you're at it, remember to sweep the dust bunnies from under your refrigerator, allowing it to run more efficiently.
- Make sure radiators, baseboard registers or heaters are not blocked by furniture or draperies.

Need help paying your heating bills?

You can count on the return of winter to bring lower temperatures and higher energy bills.

Many low-income residents have difficulties keeping up with their energy bills during the cold months.

That's why Tri-County supports Pennsylvania's Low-Income Home Energy Assistance Program (LIHEAP).

This program provides energy-assistance grants to help low-income households pay their heating bills through the winter.

To receive help...

- You don't have to be receiving public assistance.
- You don't have to have an unpaid heating bill.
- You can either rent or own your home.

LIHEAP offers both cash grants and crisis grants. The program accepts applications through March 24, 2005.

If you are eligible for a cash grant, the grant will be sent directly to your utility or fuel dealer, and the payment will be credited on your bill. You will receive written notice telling you if you are eligible for assistance and the amount you will receive.


Crisis grants are available to help those who have emergency situations in which they are in danger of being without heat. Those situations include having broken heating equipment or leaking fuel lines, being without fuel, or having utility service terminated.

If you have a heating emergency, please call your county assistance office or the statewide hotline number at 866-857-7095.

To apply for help from LIHEAP, you will need to provide the assistance office with a recent heating bill, as well as the names, dates of birth, Social Security numbers and proof of income for everyone in your household.

Below are the financial guidelines for acceptance into the program:

LIHEAP Eligibility	
Household Size	Maximum Income <i>(before taxes)</i>
1	\$12,569
2	\$16,862
3	\$21,155
4	\$25,448
5	\$29,741
6	\$34,034
7	\$38,327
8	\$42,620



For each additional household member add \$4,293.