

From the
CHIEF OPERATING
OFFICER:

The gas industry's growing pains



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

Most of you are aware of the dramatic increase in natural gas costs. Over the past five years, the cost of the gas commodity has risen from a yearly average of \$2 a dekatherm to over \$5 a dekatherm — an increase of more than 150 percent.

Since natural gas is a popular primary heat source, the hike in pricing has adversely impacted many household budgets in our region.

What happened

While weather plays a significant role in natural gas pricing, the main contributor has been the electric utility industry, which increasingly relies on natural gas for generation needs.

When building new generation facilities, our industry has moved away from coal in favor of natural gas for two main reasons: it's much easier to obtain federal and state licensing for gas-fired plants because of cleaner emissions; and gas-fired plants are cheaper and quicker to construct.

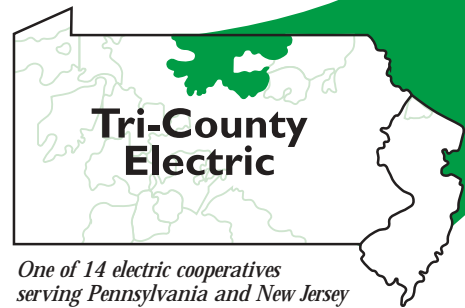
Just five years ago, only 2 percent of the generation produced for our regional electric grid, the PJM Interconnection, was fueled by natural gas. Today, that figure has grown to 11 percent, and it's projected to reach 20 percent by 2020.

The Problem

While natural gas consumption has been increasing rapidly, few new sources of natural gas are being discovered.

Up until a few years ago, there had been very little natural gas exploration due to low gas prices. Although higher prices in recent years have sparked new well-drilling activity, significant discoveries have been few and far between. Some economists are predicting continued upward pressure on natural gas prices unless major finds are made.

Another issue that gets little attention is the need for natural gas transmission pipeline additions, upgrades and storage to move increased volumes of gas being consumed. If not addressed, bottlenecks may occur on the pipelines, leading to further pricing upticks.



One of 14 electric cooperatives
serving Pennsylvania and New Jersey

Traditionally, natural gas was pumped into storage during summer months to create a reserve that could be tapped during winter. But with the increasing reliance on natural gas to fuel power plants, and because peak electric consumption occurs during summer months, less gas makes its way into storage these days. That reduction in supply correlates to higher prices.

The Future

Some of you may be thinking by now that I'm leading up to an announcement of a generation rate increase. Thankfully, that's not the case.

Tri-County's wholesale power supplier, Continental Cooperative Services member Allegheny Electric Cooperative (CCS/Allegheny), does not have a significant exposure to natural gas price volatility. That's because CCS/Allegheny owns generation plants that are not fueled by natural gas and because it has secured some very competitive contracts for supplemental energy needs.

Electric cooperative power prices are currently in good shape. Staying this way requires CCS/Allegheny to constantly monitor market conditions and review the need for new generation assets or additional supplemental contracts. This is a difficult job considering the market volatility. Fortunately for us, CCS/Allegheny has navigated these waters quite well.

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Office Hours

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Weaver specializes in pickup art

By Jeff Fetzer

You never know what kind of project may be looming ahead when you make a living as a weaver.

Just ask Ruth Anne Miller of Blackwell, who found herself lacing colored “privacy slats” into a chain link fence in downtown Towanda last fall.

The Tri-County member recalls a trustee with Keystone Theater had asked if she would weave a colorful pattern into the fence, located along the town’s main thoroughfare, to create an attractive privacy barrier for the theater.

“You don’t get anywhere in this world by saying no,” she says. “When something comes up like the fence, which is the biggest thing I’ve ever woven, you might have to think about it for a while. Then you finally say, ‘Yeah, I can do that.’”

So instead of sitting in front of a loom in the warm confines of her home overlooking Babb Creek in southern Tioga County, Miller was standing along Route 6 in chilly Bradford County, stringing slats through a fence.

“It was cold, hard work. The slats are sharp and you would constantly be scraping your knuckles,” she says. “But when you are an artist, you sometimes have to be open to doing different kinds of things to make money.”



Weaver Ruth Anne Miller works at her loom.

For Miller, who has been earning a living as a weaver for more than two decades, outside sources of income have included freelance writing for a textile arts publication, painting murals in a Sunday school classroom, serving as a part-time art instructor at Mansfield University and teaching her craft to school children and others as an artist-in-residence rostered with the Pennsylvania Council on the Arts.

Since 1986, Miller has taught fiber arts and other art courses at Mansfield University. Her classes typically cover weaving, embroidery, knitting and basket-making.

Miller, who has a master’s degree in fine arts from Marywood College, has also been an active participant in the Arts in Education program of the state arts council

for about seven years. Through that program, private and public schools can obtain grants that enable them to bring Miller or other participating artists into the classroom to teach to their speciality to a core group of students for up to one month.

Although she’s considered to be a fiber artist, Miller prefers to refer to herself as a weaver. And it’s that craft she tends to teach school children through the Arts in Education program.

“Weaving is a lot like building something. It’s very much a construction kind of thing,” Miller says. “That’s why when I go to schools, it is often the boys who have the most interest in weaving.”

She says there is a historical connection to that observation. Prior to the industrial revolution, weaving was usually carried out by men during the winter months, and spinning was undertaken by the women. Spinning is a process in which yarn or thread is created. Weaving involves interlacing threads on a loom to create cloth.

Miller’s fascination with weaving came about at a young age, she says, when her grandmother taught her how to embroider, crochet and make pot holders.



A boat shuttle rests atop a partially completed weaving project on the loom at Ruth Anne Miller’s Blackwell home.

"I loved making pot holders," she recalls. "I made so many of them as a kid. I have always enjoyed making things with my hands."

While attending Mansfield University as an art major, Miller discovered she had the knack for a style of weaving known as Scandinavian pickup. Unlike most types of weaving in which a pattern is maintained all the way across the cloth being made, Scandinavian pickup allows for the creation of images on cloth — similar to counted cross stitch but much more difficult to do.

"The difference is, with cross stitch you are just doing surface design — taking a piece of cloth and designing on the surface," she says. "I make the cloth and weave the picture in simultaneously."

In addition, Scandinavian pickup creates a reverse mirror image on the other side of the piece that is being woven.

The concept of using woven items to insulate the walls of a home originated in Scandinavia, according to Miller. Scandinavian wall hangings would typically include a day scene, with white as the dominate color, on one side and a mirror image on the flip side featuring a night scene, usually done in blue. The day scene would be displayed during the warm months, and the night scene when the weather turned cold.

"There are very few people who do pickup," she says. "When I learned how to do it in college, I just thought it was the neatest thing in the world so I kept at it."

Before she can begin weaving a pictorial display on cloth, Miller must first draw the design on graph paper. It's then taped to the loom and used for counting purposes.

Utilizing the pickup technique, Miller has created tapestries containing images of the old Ansonia Hotel and Rattlesnake Rock, a well-known landmark along Pine Creek, as well as a number of area homes. A favored motif in Miller's works is a wooden chair, which she incorporates into many of the "miniatures," or Christmas tree ornaments, she creates.

While the miniatures can be completed in about 45 minutes, some of the
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It pays to get PAiD

If you are looking for ways to simplify your life, Tri-County's Payment Automatically Deducted (PAiD) program may be for you.

PAiD is Tri-County's automated bill payment program. By participating, you can avoid the hassle of searching for stamps, licking envelopes and worrying about whether your payment arrives on time.

When you participate in PAiD, payment for your electric bill is automatically drafted from your checking or savings account each month. Even if you are out of town, your bill will be paid on time. You'll never have to worry about paying a late fee again.

Signing up is easy. Simply complete the form that appears below and return it to Tri-County. Make sure to check with your bank for its Federal Reserve Board routing number.

Here's what happens after you sign up:

- The first automated payment will be made the second billing period after we receive your completed form. The first month will be a trial run to verify account numbers. No money will be moved.
- You will continue to receive a monthly statement.
- Your bill statement will alert you to the date that your payment will be automatically withdrawn.

With Tri-County's PAiD program, paying your electric bill is simple. There are no sign-up charges or transaction fees.

To become a PAiD participant, just complete and return the coupon below — we'll do the rest. For additional information about PAiD, call us at 1-800-343-2559.

I authorize Tri-County Rural Electric Cooperative to instruct my financial institution to make electric payments from the account listed below. I will notify Tri-County if I decide to discontinue this payment service or change banks or account numbers.

Customer Name (as it appears on your bill)

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State

Zip Code

Tri-County Account Number

Name of Financial Institution

Address of Financial Institution

Bank Account Number:

Checking

or Savings

Bank's Federal Reserve Routing Number

Account Holder Signature

Date

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larger pieces take weeks to produce. She points out she usually doesn't spend more than four to six hours a day on the loom because it is physically demanding, especially on the arms and shoulders.

In addition to wall hangings and ornaments, Miller weaves scarves, purses, bags, rugs, table runners and placemats. She admits she doesn't enjoy weaving items that involve tailoring.

"I try to make things that are over and above what you can get at the store," she says. "If I'm going to make something, it's got to be more exciting, more personal, more colorful and with more interesting designs."

Despite her art background, the lifelong Blackwell resident says she considers herself first and foremost a craftsman.

"I make functional objects, and, as a craftsman, I want them to be extremely well made," she says. "You become an artist because the world wants more artistic things. If I have an exhibit, I'm an artist, but in my heart, I'm still a craftsman."

Miller's works are on display, and available for purchase, at B&S Picture Gallery in Williamsport, the Coffee & Tea Room, also in Williamsport, and Connie's Settlement House in Sylvania. Her tapestries also adorn the walls of several rental cottages along Pine Creek that she and her husband, Jeff, own.



Tri-County member Ruth Anne Miller created these miniature tapestries utilizing a technique called Scandinavian pickup.

Co-op seeks director candidates

Election by majority — it's what makes America a democratic nation. It's also one of the hallmarks of membership in an electric cooperative.

As a member of Tri-County Rural Electric Cooperative, you can take an active role in democracy by running for a seat on the co-op's board of directors. Or you can exercise your democratic rights by simply voting in your district's election.

During the co-op's annual meeting each July, one-third of the members have the opportunity to vote for directors to represent the district in which they reside. This year, Tri-County will hold director elections for Districts 2, 6 and 8, currently served by directors Ferd Irish, Al Calkins and Don Blackwell, respectively.

If you reside in one of these districts and wish to run for a seat on the board, contact the cooperative's Mansfield office. We will send you a director candidate information packet. It contains the forms and instructions necessary for filing your candidacy.

Director Duties

Directors are responsible for developing co-op policies and long-range plans. They voice members' concerns and make recommendations to Tri-County's management staff.

Nine directors comprise Tri-County's board. Each board member represents a specific area within the utility's service territory, as the map above illustrates.

Directors serve three-year terms. Elections take place on a rotating basis, with three of the co-op's nine districts voting each year. Board members meet regularly at Tri-County's headquarters in Mansfield on the fourth Tuesday of each month.

To be eligible for director candidacy, you must meet the following criteria and all other guidelines listed in the cooperative's bylaws:

- Receive electrical service from the cooperative at your principal residence.

- Be a member and a bona fide resident of the district you seek to represent.
- Not be in any way employed by, or financially interested in a competing enterprise or business selling electrical appliances, fixtures or supplies to the members of the cooperative.

Election Procedures

To register as a candidate, you are required to file an official petition and personal statement of qualification for director. Both documents must be submitted to Tri-County Rural Electric Cooperative, P.O. Box 526, 22 N. Main St., Mansfield, PA 16933. The filing deadline is 4 p.m., **Friday, April 16, 2004.**

For your name to appear on the official ballot, you must secure at least 15 signatures from members residing in your district.

Remember, joint memberships have only one vote; so husband and wife signatures count as a single signature.

If you have any questions regarding director elections, please direct them to Alex Hartley, Tri-County's director of member services. You can contact him at (570) 662-2175 or 1-800-343-2559.

Remember: Director candidate petitions are due by April 16, 2004.

Townships Scheduled to Elect Directors in 2004

District 2: Hector, Pike, Ulysses, Allegany, Sweden, Hebron, Eulalia, Clara, Pleasant Valley and Roulette townships in Potter County.

District 6: Armenia, Columbia, Granville, Troy, Springfield, West Burlington townships in Bradford County; Sullivan and Ward townships in Tioga County

District 8: Brown, Cogan House, Cummings, McHenry, Pine, Lewis, McIntyre, and Jackson townships in Lycoming County; Liberty, Morris and Union townships in Tioga County.