

From the PRESIDENT & CEO: A time- honored tradition



Robert O. Toombs
President & CEO

In today's fast-paced world, we often dwell on technological advances that make our jobs easier and working hours more productive. Progress, it seems, gets all the praise these days. Time-honored traditions, on the other hand, are often overlooked.

I'd like to tell you about one long-standing tradition that has served your local electric cooperative well for more than six decades: the annual meeting.

For those who missed it, Tri-County hosted its 67th annual meeting July 12 at the Williamson High School. Our employees did an excellent job preparing for the event, and we enjoyed a very positive meeting in an enjoyable setting.

About 600 members and guests attended the gathering, and many took the opportunity to chat with directors,

cooperative employees and staff before and after the business meeting.

It's that opportunity for face-to-face communication between consumer and cooperative representatives that makes the annual meeting such a cherished part of cooperative tradition.

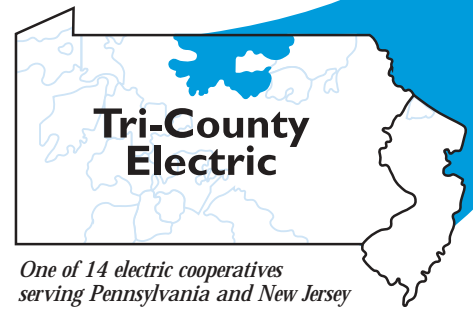
So what was on members' minds at this year's annual meeting? Right-of-way maintenance, as usual. Some members tell us we're not doing enough to keep our electric lines free of overhead vegetation. Others say they don't want our right-of-way crews to touch their trees. It's a no-win situation.

Given the strong opinions and high costs associated with vegetation management, one member suggested we bury all of our electric lines underground. That's a great notion, but, unfortunately, going underground will not be economically feasible any time soon.

Tri-County has more than 3,000 miles of electric line stretched across some pretty mountainous, heavily forested terrain. We average about 5.5 members per mile of line. Digging a mile-long trench in which to bury an electric line to serve fewer than six homes would be an extremely expensive undertaking. You usually find underground electric lines in urban and suburban areas where there is a high concentration of meters.

Having underground electric lines doesn't mean you would no longer have outages, I might add. While underground lines minimize power interruptions caused by the weather, those caused by equipment failure would continue to occur — and they would be more time-consuming and costly to repair than outages involving overhead wires.

During the question-and-answer session that took place during the business meeting, another member asked how many attended the special informational meetings we held for members of



One of 14 electric cooperatives serving Pennsylvania and New Jersey

District 4 earlier this summer. We hosted sessions on three consecutive evenings in response to a request from a group of District 4 members who were seeking more information regarding the cooperative. We had a turnout of about 25 members the first two nights. No members showed up on the third night.

For cooperative consumer-members, the annual meeting provides the perfect opportunity to get answers to just about anything pertaining to electricity and electric use from our highly skilled and trained personnel. I know our employees fielded a variety of questions about use of back-up generators, electric water heaters, surge protection devices and issues pertaining to individual electric services during the gathering.

The annual meeting also informs members about the state of their cooperative and gives them a chance to visit with friends and acquaintances from around the region. And they can bring the kids and grandkids along for a day of fun.

We began a children's activity program a few years back so the next generation of electric consumers can get a feel for what an electric cooperative is all about. We expect many of them will someday become cooperative members. By then, we hope they will have come to understand the value of the cooperative annual meeting — a tradition worth continuing.

Tri-County Rural Electric Cooperative

A Touchstone Energy® Cooperative 

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James R. Davis Jay E. Haldeman
Gerald A. Kite Barbara J. Seeley

Office Hours

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

SEPTEMBER 2003 10a



Annual Meeting Highlights

Cooperative Way helps co-ops stay 'Above the Fray'

by Jeff Fetzer

By doing business the cooperative way, electric cooperatives like Tri-County Rural Electric continue to stay above the fray that has tarnished corporate America in recent years.

That was the message Tri-County President & Chief Executive Officer Robert O. Toombs delivered to more than 600 cooperative members and guests on hand for the 2003 annual meeting, held July 12 at Williamson High School.

"The past few years have brought out some of the worst in large companies, many of them utilities that we all know — Adelphia, Enron, Global Crossing, WorldCom," Toombs said. "Let me point out that none of these utilities are electric cooperatives."

Toombs said the cooperative business model has served members well for more than 60 years.

"We are owned by you, the members," he said. "Everyone has one vote, and people that you have known all your lives are elected to the board of directors. They serve you and the best interests of local concerns."

"I am convinced that the democratic nature of cooperatives provides the formula for fairness, trust and longevity of success," he added.

Toombs went on to provide financial and service-related data and statistics to



ABOVE: Three lucky youngsters pose with the bicycles they won in the children's grand prize drawing during the annual meeting. They are, from left, Curtis Sherwood of Wellsboro, Savannah Johns of Ford City and Dylan Lagonegro of Breezport, N.Y.



BELOW: Pennsylvania Public Utility Commission member Glen R. Thomas addresses Tri-County members during the annual meeting July 12 at Williamson High School.

"The storm stripped our 2003 budget and served as a wake-up call," Toombs said. "It will cost Tri-County more than \$750,000 for storm damage."

Guest speaker Glen R. Thomas, former chairman and present member of the PUC, spoke on the agency's mission to ensure safe, reliable and reasonably priced electric, natural

gas, water, telephone and transportation service to Pennsylvania consumers.

Although the PUC does not regulate rural electric cooperatives in Pennsylvania, Thomas said the agency and the co-ops are "partners" with a history of working well together.

"What distinguishes Pennsylvania from the other states is this talented team of stakeholders," Thomas said. "At the end of the day, the people we represent and the interests we advance are better served by the cooperative spirit."

show how Tri-County compares with the other 12 cooperatives around the state, as well as its peers across the nation. While Tri-County compares favorably with cooperatives of similar size in most categories, Toombs said one area of particular concern is the amount of time members are without power annually. "Most consumers (nationally) will experience about five hours of outage per year," he said. "Tri-County averages 10 to 12 hours of outage per consumer. This is unacceptable."

Toombs pointed out that power-supply-related outages account for over half of those outage hours. He added the state's cooperatives are working with the Pennsylvania Public Utility Commission (PUC) and power suppliers to address reliability issues. The cooperative chief also discussed the New Year's ice storm, which caused one of Tri-County's worst outages in more than 30 years.

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Directors retain seats

The re-election of two incumbents to the Tri-County board of directors was also announced during the annual meeting. Gerald Kite of Keating Summitt and Alston Teeter of Milan were re-elected to three-year terms. They represent Districts 1 and 7, respectively.

Both incumbents ran unopposed and were unanimously elected.

Tioga County court has ordered a new director election for District 4. Dr. James Davis, who has held that district's director post for the past two years, will continue serving in that capacity until election results are announced on October 28, 2003. Additional information about the District 4 election process and candidate profiles appear on page 10c.

During a board reorganization meeting that immediately followed the annual



Tri-County member Dr. James Montague of Liberty, a member of the Pennsylvania Chapter of the American Chestnut Foundation, discusses American chestnut tree reintroduction efforts with cooperative member Robert Lane of Harrison Valley.

meeting, Ferd Irish of Coudersport was re-elected board chairman, Ralph Snyder of North Fork, vice-chairman, and Teeter, secretary-treasurer.

Fun & games

While the adults participated in the business portion of the meeting, the 60-plus children in attendance enjoyed use of the school playground and basketball

court outside, as well as face painting and safety demonstrations indoors.

Three youngsters walked away winners in the children's grand-prize drawing. Savannah Johns, 4, of Ford City, held the winning ticket for a girl's bike. Curtis Sherwood, 11, of Wellsboro RR 2 won the boy's bicycle, and Dylan Lagonegro, 9, of Breezport, N.Y., claimed the grand-prize bicycle.

At the conclusion of the meeting, adults and children alike made their way to the high school cafeteria, where they enjoyed a delicious barbecued chicken dinner.

Correction

A typographical error appeared on the Consolidated Balance Sheet for Tri-County on page 10c of the July 2003 issue of Penn Lines. The "total equities" figure for 2001 should have been \$13,362,317.

Director elections slated for District 4

As was reported at the Tri-County Rural Electric annual meeting in July, Tioga County President Judge Robert E. Dalton Jr. has directed the cooperative to conduct a new director election for District 4 and that cooperative member Henry Wood appear on the ballot.

The court ordered the new election — for District 4 only — after Mr. Wood agreed to withdraw lawsuits he had pending against the cooperative. Ballots from District 4 cast prior to the July annual meeting will not be counted.

"I am very happy these legal matters are behind us," said Tri-County Board Chairman Ferd Irish. "The co-op can now go about its business of providing reliable, cost-effective electricity to its members without the distraction and expense of ongoing lawsuits."

In late September, Tri-County will mail new ballots to all members of District 4. The ballots will contain the names of three candidates for the District 4 board seat. Those candidates are: Dr. James Davis, Duane Stafford and Henry Wood.

Davis, who has served as a Tri-County director since 2001, will continue representing District 4 on the co-op board until the election results are announced in October.

Please review the ballot, cast your vote and mail it back to Tri-County Rural Electric, P.O. Box 4, Mansfield, PA 16933 by October 24, 2003. District 4 members may also vote in person at Tri-County's Mansfield office on October 28, 2003, between 8 a.m. and 10 a.m. prior to the official closing of the ballot box by the Election and Credentials Committee.

Results will be tabulated by the committee and announced when the annual meeting reconvenes for this purpose only on October 28, 2003, immediately following the regular monthly meeting of the Tri-County Board of Directors.

Elected candidates serve three-year terms. Tri-County directors are responsible for representing the needs and concerns of members in their districts. They also establish co-op policies and oversee business operations.

District 4 serves members in the Tioga County townships of Chatham, Clymer, Deerfield, Farmington, Gaines, Middlebury, Nelson, Osceola and Shippen.

A profile of each District 4 candidate follows.



James R. Davis

James R. Davis is seeking election to his first full term on the Tri-County board after serving as District 4 director for the past two years. A

retired educator, Davis performs educational consulting and works as a program monitor for the Pennsylvania Department of Education. He also serves or has served on recreational and health advisory boards. He is co-author of an educational textbook on school curriculum and presents workshops on that concept. He and his wife, Elaine, reside in Farmington Township. They have three grown sons.

"In the two years I have served on the Tri-County board, I have taken many director training courses and learned the dynamics of the position and would like to put that education to use," Davis says. "It is high time that the board and management are able to put aside legal issues they have had to deal with and concentrate on the concerns of the members and the co-op. We should be concentrating on energy conservation, alternative forms of energy, Internet access, etc. — concepts that will benefit the members. This will require individual thinking yet teamwork, since the board process is a democratic one."

Duane P. Stafford

Duane P. Stafford lives near Sabinsville with his wife, Jimona. The couple has three grown daughters. A Tri-County member for 30



years, Stafford owns and operates a carpet cleaning business. He is active in the local cable television association and serves as auditor for Clymer Township as well as the township's volunteer fire company, ambulance association and library.

"I have been self-employed and managed my own businesses for 27 years, served as director and secretary/treasurer for a cooperative for 13 years and audited financial records of other organizations," Stafford says. "I am conservative and willing to listen and learn and will strive to represent the best interests of all members."

Henry W. Wood

Henry W. Wood, a contractor from Middlebury Center, is seeking election as director from District 4. He and his



wife, Sylvia, have two grown children, Brenan and Tori. In addition to his contracting business of 30 years, the Woods operate several car washes, an ice cream business and a bed and breakfast located on Butler Hill.

Wood has been active in the Boy Scouts for many years and enjoys camping and hiking with the troop. He has been scoutmaster in Westfield for 12 years and was recently awarded the Scoutmaster of the Year Award for 2002.

Wood states, "I have past director experience with Tri-County and am a credentialed director. As in the past, I will continue to make decisions based on the members' best interests."





LEFT: A class F3 tornado touched down near Ellisburg in Potter County, overturning a car and destroying the home and farm buildings of Tri-County consumer-members Kevin and Judy Smoker. The Smokers' two teenage children, who were in the home when it was leveled by winds exceeding 158 mph, escaped injury.

BELOW: Tri-County member Dale Arnold waits for workers to arrive to begin removing trees, toppled by high winds during the storm, from his Coudersport-area seasonal home and garage.

Summer storm slams co-op service territory

by Jeff Fetzer

Seven months after Tri-County was walloped by one of the worst winter ice storms in memory, Mother Nature followed up with a severe summer storm that knocked thousands of members out of power, some for nearly a week.

Outage reports began coming in from western portions of Tri-County's service territory late in the afternoon on Monday, July 21, as a torrential downpour accompanied by violent winds swept eastward.

By dusk Monday, it was clear that this was no run-of-the-mill summer thunderstorm. As many as 11,000 members were without power. Reports (later confirmed) were filtering in that a tornado had touched down in Potter County.

Cooperative line crews were radioing in that trees, limbs and electric lines were down everywhere.

Tri-County, assisted by the Pennsylvania Rural Electric Association, our statewide service arm, immediately began recruiting manpower from our fellow cooperatives, contract construction companies and tree services. In the end, we bolstered our ranks with 45 additional workers.

The storm left no part of our service territory unscathed, but problems were extensive throughout Potter County, northwestern Tioga County and eastern Cameron County. In that area, all of our substations were without power initially, and most stayed that way until Wednesday, when private power companies completed repairs to their transmission lines that serve the substations.

Working 16-hour shifts, our line crews completed power-restoration efforts in the eastern portion of Tri-County's service territory on Thursday, July 24. That service area includes

LEFT: Up in the air. A tractor rests precariously on a Potter County property after the tree that it was parked near was uprooted by high winds on July 21.



portions of Tioga County east of U.S. Route 15, northern Lycoming County and western Bradford County.

By Saturday evening, July 26, power had been restored across the cooperative's service area.

Co-op officials say expenses from the storm will exceed \$350,000. It is hoped that assistance funds will be forthcoming from the Federal Emergency Manage-

ment Association (FEMA).

Pennsylvania Gov. Ed Rendell issued a disaster declaration for parts of Pennsylvania following the storm. He has also requested that President George W. Bush declare a major disaster for the region, which would make federal funding available for reparation work. At press time, a federal disaster declaration had not been issued.

If federal funds do not become available, the Tri-County Board of Directors will have to determine how to recover costs associated with the storm.

"I want to thank our members for their patience and assistance during the outage," said Tri-County President & CEO Bob Toombs. "We received many, many thank-you cards and letters following the outage. It's gratifying to work for members who understand the dangers and magnitude of the work involved with a major outage, and who are truly thankful when power is restored."

Toombs also praised cooperative employees for their extra efforts and long hours of work during the outage. No work-related injuries or accidents occurred during the outage, a testament to the cooperative's emphasis on employee training.

