

From the CHIEF OPERATING OFFICER:

The co-op's big day



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

Thanks to all who attended our annual meeting on July 9. It was a great day for members to take care of cooperative business and socialize with others.

More than 600 members turned out for the event, which returned to the Coudersport Consistory for the first time since 2002. We try to encourage strong member participation in this annual event by continually looking for ways to improve the meeting. I think we had several great additions to this year's gathering.

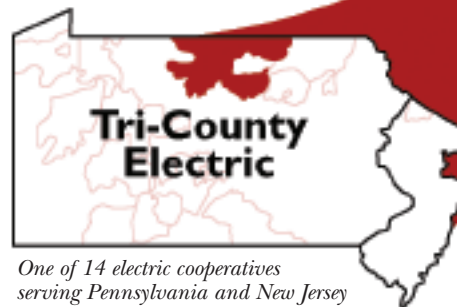
First, I'd like to offer a special thanks to Charles Cole Memorial Hospital for providing mini-health screenings to members prior to the business meeting. Those who took advantage of the free exams received a body-fat analysis and had their blood pressure, cholesterol, and sugar levels checked.

I was also very pleased with the reception our high-voltage safety demonstrations received. Our operations department did a great job clearly illustrating the dangers of coming into contact with energized electric lines. I believe the safety message communicated during these demonstrations is one of the most important services we can provide to you and your family. We plan to bring back the high-voltage safety demonstrations again next year, and I encourage everyone who attends to stop by to listen and learn.

We also welcomed a first-time exhibit hosted by Tri-County member Linda Wales of the New York-Pennsylvania Lyme Disease Support Group, as well as an informational booth by the state Department of Aging.

Members who attended the business meeting heard reports from the board and management regarding the governance and operations of the cooperative, as well as from Tri-County's Rural Electric Youth Tour delegates. Our guest speaker, former Lt. Gov. William Scranton III, shared his thoughts about important issues facing Pennsylvania and its residents. Scranton, as you may have heard, is considering a run for governor next year.

While the annual meeting allows for cooperative business to be conducted, equally important is that the gathering gives members an opportunity to share their comments directly with management, directors, and employees. I truly appreciate the feedback and was particularly pleased to hear one member stand



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

up during the meeting and thank the co-op and its employees for their dedication and speedy service during outages.

Democratic member control is at the heart of the cooperative philosophy and was very much in evidence at the annual meeting when director election results were reported. In this year's election, newcomer Nick Reitter defeated incumbent director Ralph Snyder for the District 3 director post. I would like to welcome Mr. Reitter to the board and thank Mr. Snyder for 30 years of dedicated service as a Tri-County director. Directors Barb Seeley and Jay Haldeman ran unopposed in Districts 5 and 9, respectively, and were re-elected to three-year terms.

I always enjoy taking part in the cooperative's annual meeting, and this year's gathering was particularly memorable because I had the opportunity to catch up with old friends and family from the Potter County area where I grew up, as well as cooperative members I've met over the years but don't see regularly. I hope that you enjoyed the annual meeting as much as I did. If you weren't able to make it this year, I hope that you will attend in 2006. This is your cooperative, and we truly value your input.

Tri-County Rural Electric Cooperative

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Office Hours

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'Great Expectations' in annual meeting spotlight

by Jeff Fetzer

Meeting the great expectations members have of their electric cooperative took center stage at Tri-County's 68th annual meeting July 9 at the Coudersport Consistory.

In his executive report, Tri-County President and Chief Executive Officer Robert O. Toombs pointed out that the theme for the nation's electric cooperatives this year is "Great Expectations," a theme also embraced at Tri-County. He told the approximately 600 members and guests in attendance that the local cooperative strives to meet and exceed their expectations "within the framework of the seven cooperative principles" (see sidebar).

"Cooperatives are not interested in making a big profit or operating under the control of a handful of powerful owners," he said. "We are more interested in democratic control, education, training of our employees, working with other cooperatives, and providing superior service at affordable rates."

Tri-County Executive Vice President and Chief Operating Officer Craig Eccher, during his report to the membership, detailed some of the ways the cooperative works to meet members' expectations for high-quality service and affordable rates.

"Today, Tri-County is growing and zeroing in on its goals, such as increased reliability and safety, exceptional member service, operational efficiency, and a team of well-trained and educated employees," he said.



WINNING WHEELS: Lucky youngsters display bicycles they won in the children's grand prize drawing held immediately following the annual meeting. Winners are, from left to right, Felicity Cowfer of Philipsburg, Megan Hawk of Trout Run, and Anthony Cowburn of Coudersport.

Focus on reliability

Calling improved reliability one of the co-op's primary goals, Eccher highlighted Tri-County initiatives aimed at keeping the power flowing to members' homes and businesses.

He said the co-op annually tests more than 6,000 utility poles for rot and defects, conducts yearly infrared inspections of one-third of its power lines, substations, and electrical devices, and spends over \$1 million each year main-

taining the cooperative's rights-of-way.

In addition, Tri-County has been investing in new technology aimed at improving reliability and enhancing service. Several years ago, the co-op began installing automated meter reading equipment in remote areas of its service territory. Last year, approximately 800 automated meters were put into service, improving efficiency and member service levels, he said. Eventually, all meters on the cooperative system will transmit readings through the co-op's power lines directly to the main office.

"Estimated bills will be a thing of the past," Eccher pledged.

He also noted Tri-County will be deploying a remote monitoring and control system over the next two years that will enable co-op personnel to monitor the entire distribution system — for things such as outages, voltage levels and potential problems — from computers located in co-op offices.

Eccher stated that transmission failure has been a major source of power interruptions for Tri-County members in recent years. Transmission lines carry



CO-OP CONFAB: Tri-County Executive Vice President and Chief Operating Officer Craig Eccher, center, and newly elected co-op director Nick Reitter, left, chat with former Lt. Gov. Bill Scranton III following the co-op's annual meeting on July 9. Scranton, who told co-op members he is considering a run for governor next year, was the guest speaker at the meeting.

power from far-off electric generation plants to the cooperative's distribution system. The co-op does not own any transmission lines.

"We are continuing to make headway with the transmission owners," Eccher said. "We measure headway by improvements to their infrastructure and a reduction in outage frequency."

The chief operating officer said the unified effort of all 13 electric cooperatives in the state, through their statewide service organization, the Pennsylvania Rural Electric Association, prompted the Pennsylvania Public Utility Commission and transmission owner FirstEnergy to reach a formal agreement in 2004 in which FirstEnergy agreed to upgrade and properly maintain its power delivery system. This should improve reliability for Tri-County and the rest of the state's electric cooperatives who depend on FirstEnergy for transmission service.

A solid year

Eccher called 2004 "a solid year both financially and operationally."

While wet weather dominated, the cooperative was not plagued by the major storm-related outages that struck the region in 2003. Because of the solid financial standing, the co-op's board of directors returned \$500,000 in capital credits to members in 2004, and also provided members with a \$12.75 credit on their December electric bills.



CLEAN BILL OF HEALTH: *Miriam Olvera, a certified medical assistant with Charles Cole Memorial Hospital, prepares to draw blood from a Tri-County member as part of a health screening offered by the hospital during the annual meeting.*



SHOCKING CONCLUSION: *Tri-County lineman Wade Snyder touches a hot dog to an energized car door as part of a high-voltage safety demonstration.*

"Last year we made great strides toward our goals," Eccher said. "We still have a ways to go. Your input is valuable."

Also addressing the co-op membership was guest speaker former Lt. Gov.



POSITIVE ID: *Tri-County employee Dianne Kuhns fingerprints 4-year-old Dylan Montgomery as part of the co-op's child identification and fingerprinting program. Looking on is Dylan's older brother, Jared.*

William Scranton III, whose talk focused on the great expectations he has for the future of Pennsylvania.

Scranton, who prefaced his remarks by reporting he is considering a bid for governor next year, lamented that poor political decisions have resulted in the state "slipping backwards," to the point that Pennsylvania ranks near the bottom nationally in economic growth and is losing many of its brightest young adults to more progressive states.

"My view is that the Commonwealth of Pennsylvania has not done with its politics what every enterprise has had to do in the last 20 years: keep up with the times," he said. "I want to see a Pennsylvania that is competitive. This is a magnificent state; our best days are not behind us; they can be ahead of us."

New director elected

In other business during the meeting, Tri-County members voted in one new director and re-elected two incumbents.

In a two-way race for directorship for District 3, Nick Reitter of Genesee defeated incumbent Ralph Snyder of North Fork, who was seeking his 11th term as director. Reitter is a retired electrical engineering technology professor from Alfred State University.

Tri-County members unanimously re-elected Barb Seeley of Mansfield to a fourth term as District 5 director. Incumbent Jay Haldeman of Galeton was unanimously re-elected to a sixth term on the board representing District 9. Seeley and Haldeman ran unopposed in the election.

Three of Tri-County's nine board seats were up for election this year. Directors are elected to three-year terms.

During a reorganizational meeting that immediately followed the annual meeting, Dr. James Davis of Elkland was elected board chairman, Gerald Kite of Keating Summit was elected as board vice chairman, and Alston A. Teeter of Milan was re-elected secretary-treasurer.

Seven Cooperative Principles

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community



PAiD program saves time, stamps and late-fee worries

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 the bank's Federal Reserve 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 bill 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)

Address

City 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



Lightning storms, heavy snowfall, high winds and car accidents can all bring power lines crashing to the ground.

The Electrical Safety Foundation International (ESFI) advises people to use extreme caution any time they encounter a downed line, and offers these tips:

- Move away from any downed line you see and anything touching it. Shuffle away with small steps, feet close together and on the ground at all times.
- Do not touch anyone who is in direct or indirect contact with the downed line. Call 911.
- Do not use another object to move a downed power line or anything in contact with the line. Even wood can conduct electricity.
- If you are in a car that is in contact with a downed line, stay inside the car until the electric utility moves the line and indicates it is safe to exit. Honk your horn for help and to keep others away. If you have a cellular telephone, it is safe to use it to report your situation.
- If you must leave the car — and the only time you should do so is if you smell gasoline or a fire is present — jump clear of the vehicle, keeping both feet together and being sure to avoid contact with the car and the ground at the same time. With both feet remaining together, hop away from the danger site.
- Assume that any downed wire you see is an energized power line, and report it immediately to the police, fire department and local electric utility.

These and other electrical safety tips are available at ESFI's Web site at www.electrical-safety.org or by phone at 703/841-3229.