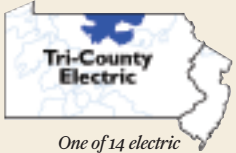


# Tri-County Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

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**BOARD OF DIRECTORS**

- James R. Davis**  
Chairman
- Gerald A. Kite**  
Vice Chairman
- Alston A. Teeter**  
Secretary/Treasurer
- Donald H. Blackwell**
- Alfred G. Calkins**
- Ferd W. Irish**
- Nicholas Reitter**
- Barbara J. Seeley**

**Craig Eccher**  
President & CEO

**STAFF**

- Annette Bender**, *Executive Assistant*
- John Lykens**, *Director, Engineering & Operations*
- Barbara Johnson**, *Director, Financial Services*
- Bryan Berguson**, *Director, Member Services*

**OFFICE HOURS**

Monday through Friday  
7:30 a.m. - 4 p.m.

**Tri-County's offices will be closed Friday, Oct. 12**

FROM THE PRESIDENT/CEO

## What's on members' minds?



by Craig Eccher

**ONE OF THE** things that I really like about Tri-County's annual meeting is getting the chance to hear what's on our members' minds.

During the business portion of the meeting, we always open the floor to members so they can ask questions and make comments about issues concerning their electric cooperative and the energy industry.

This year's questions were particularly interesting and timely. One member asked about the cooperative's stance on wind energy.

As many of you know, this is not only a very hot topic nationally but also at the local level. There are at least three wind farm developers seeking to site generation facilities in or around our service territory. These wind farms have generated a fair amount of controversy, pitting proponents of renewable energy and wind farm developers against neighboring property owners who feel the facilities would be unsightly, noisy and destructive to wildlife habitat.

While Tri-County is very supportive of the use of alternative energy, the co-op has taken a neutral position on wind farms.

Tri-County has no plans to install our own wind generation, nor is the co-op soliciting wind farm development in our area. However, if a wind generator sites turbines within our service territory that require interconnection to the electric grid, we would be very interested in partnering with them if the interconnection would enhance the co-op's existing system or increase our reliability and power supply. But we also remain very sensitive to individual landowner rights and understand their concerns about sitting scores of wind turbines on the scenic ridgetops of the northern tier.


The issue of artificial light pollution also came up when a member asked if the co-op would consider making "night-sky friendly" lighting available in the future. Your cooperative will be exploring the possibility of making light-shielding equipment available. Our subsidiary company, Wellsboro Electric, installed directional lighting equipment near Nessmuk Lake several years ago, and it has greatly reduced the amount of artificial light going into the night sky.

Another great question concerned the governor's initiative to require the use of smart-metering technology. Through the deployment of smart meters, consumers would be billed on an hourly basis for their electric use. This is reflective of the way the wholesale power market works, and the idea behind it is to give consumers a tool to help them reduce energy spending by using power when it is least expensive.

The potential problem with smart metering is that it would be up to members to monitor and schedule their electric use. And because the hourly wholesale market is extremely volatile, with prices skyrocketing at times of peak demand to 80 cents per kilowatt-hour, a member could run up huge electric bills if they were not diligent in monitoring hourly pricing swings, which vary based upon season, time of day and the weather.

We feel this type of smart metering would prove impractical for the average consumer and may be better suited for industrial and large commercial accounts.

I really appreciate the great questions and many comments I received during the annual meeting. It assures us that you, as a member and owner of the cooperative, are taking an active role in the future of Tri-County.

For all of those who attended the annual meeting, I would like to extend my personal thanks for making it a very enjoyable day. 

**CO-OP CONFAB:** Tri-County President and CEO Craig Eccher, at right, congratulates (from left) Donald H. Blackwell of Blackwell, Ferd W. Irish of Coudersport, and Alfred G. Calkins of Troy on their re-election to the Tri-County board of directors following the co-op's 71st annual meeting.



## Co-op officials debate rate fate at annual meeting

BY JEFF FETZER

**WITH SOARING ENERGY** prices generating a lot of buzz nationally, as well as at the local coffee shops and gathering spots, it came as little surprise that the rate fate for Tri-County members took center stage at the cooperative's 71st annual meeting July 14 at the Coudersport Consistory.

While the prospect of 25- to 50-percent rate hikes looms for many of the PUC-regulated utilities in the Pennsylvania, Tri-County President and CEO Craig Eccher told the approximately 400 members on

hand for the annual meeting that they can expect relatively stable electric rates going forward.

"Right now it doesn't look like we will need to increase rates for a while," said Eccher. "But we will have to be more efficient, and continue to look for ways to work smarter."

Eccher noted that the co-op's distribution rate, which covers the costs to operate and maintain Tri-County's electric system, did increase slightly earlier this year to cover the rapidly rising cost of materials and sharply higher interest rates. However, operating efficiencies realized through the cooperative's shared services with its partner cooperative, Claverack Rural Electric, have helped to contain costs, he said.

Tri-County Board Chairman James R. Davis also discussed rates during his chairman's report to the membership. He stated that an average residential bill for a Tri-County member in 1987 was \$83. Today it is \$136.

Davis pointed out that while rates increased by 25.5 percent over that 20-year period, electric use by residential customers grew by 30 percent, from an average of 800 kilowatt hours per month to 1,040 kWh.

"The point I would make is that the largest part of our increase in electric bills

has come from increased use as opposed to an increase in rates," Davis said, noting that the board works very hard to keep the rates as low and stable as possible.

The chairman called on members to explore ways of conserving energy to help keep their electric bills in check.

"We encourage you to do that by participating in the many programs we have that are aimed at keeping energy consumption and costs as low as possible," he said.

Davis encouraged members to consider learning about and participating in the co-op's energy-conservation initiatives, including load management, energy-efficient water heaters, compact fluorescent lightbulbs, Energy Star appliances and energy audits.

"As chairman, I want to assure you that your board of directors works in harmony to not only serve your energy needs, but also position the cooperative for whatever challenges lie ahead," Davis said.

### Talking 'bout our generation

One of those challenges facing electric utilities throughout the region is the rising cost of purchased power, which accounts for about 60 percent of cooperative's annual expenses.

While many of the investor-owned utilities in Pennsylvania will be facing



**PRESSURE POINTS:** Tammy Peterson, an occupational health associate with Cole Memorial Hospital, checks the blood pressure of Tri-County member Amy Rood of Morris as part of the mini-health screening the hospital conducted at the annual meeting.



**SEEING THE LIGHT:** Steve Allabaugh, Tri-County manager of technical services, shows co-op member Henry Lovett different lighting options available using energy-efficient compact fluorescent bulbs.

much higher generation pricing when state-mandated rate caps expire in 2009 and 2010, Eccher reported that co-op members can expect to see relatively stable generation rates for the foreseeable future.

“For Tri-County and the other rural electric cooperatives in Pennsylvania, the outlook is good,” he said. “Your generation rates might tick up a little bit, might tick down a little bit, but they will be relatively flat going forward.”

He explained that Allegheny Electric Cooperative, the wholesale power supplier for the 13 electric cooperatives in Pennsylvania and one co-op in New Jersey, owns a mix of low-cost hydroelectric and nuclear generation that provides nearly 70 percent of the electricity needs of its member cooperatives. The remaining 30 percent is purchased on the open market through a contract with Williams Energy that expires at the end of 2008.

“The challenges for Allegheny will be to strategically purchase that remaining 30 percent block of power and secure additional generation resources to meet the future power needs of the state’s electric cooperatives” when the contract expires at the end of next year, Eccher said.

He added that Allegheny



**GOING UP:** Lineman Tony Rachiele gives a lift to 6-year-old Nicholas Isabella of Brockway in the co-op’s bucket truck. Nicholas attended the meeting with his grandparents, Tri-County members Richard and Gloria Adams.

Electric Cooperative, which has a 10 percent ownership stake in the PPL nuclear power plant in Berwick, is exploring options to further limit its exposure to open market pricing.

### Farmer’s hand

Guest speaker at the co-op’s annual meeting was Bob Farmer, publicist of *Farmers’ Almanac*, as well as a humorist and professional speaker who frequently entertains at rural electric cooperative annual meetings around the country.

Farmer, a native of Louisville, Ky., entertained with a mix of down-home humor, funny facts about *Farmers’ Almanac*, personal anecdotes and colorful stories about his family and in-laws.

While much of Farmer’s talk was light and designed to draw laughs, he ended on a more serious note, calling the system of rural electric cooperatives “the best system in America” for providing electricity to consumers.

“What a special thing these rural electric cooperatives are,” he said.

### Directors re-elected

In other business during the meeting, Tri-County members re-elected three incumbents to the cooperative board of directors.

Tri-County members unanimously re-elected Ferd Irish of Coudersport, Alfred Calkins of Troy and Donald Blackwell of Blackwell to represent Districts 2, 6 and 8, respectively, on the co-op board. All three directors ran unopposed in the election.



**TANK TALK:** Tri-County staking engineer John Rotello discusses the merits of Marathon-brand water heaters with co-op member Pete Rellick of Derry, who owns a seasonal home near Costello.

**READY TO RIDE:** Holly Barshinger and Conner Dunleavy display the bicycles they won in the children’s drawing.



**AUTOGRAPHED ALMANAC:** *Farmers’ Almanac* publicist Bob Farmer autographs a copy of the almanac for Tri-County member Dorothy Carvell of New Holland. Farmer, a humorist, served as guest speaker for the annual meeting.

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, James Davis of Elkland was re-elected board chairman. Gerald Kite of Austin was re-elected vice-chairman, and Alston Teeter of Milan was re-elected secretary-treasurer. 🌞

## Geothermal – An energy-efficient heating option

If you're planning to build a home or replace your existing heating system, you may want to consider installing a geothermal heat pump.

Geothermal, or ground-source, systems use the earth's natural heat-storage ability to heat and cool your home.

### How does it work?

A geothermal system utilizes an electric-powered heat pump, which operates on the same principle as a refrigeration unit, to take thermal energy from the earth and transfer it to your home.

Because the temperature of the earth below the frost line remains at a relatively constant temperature year round, the ground is an excellent source for all-season heat exchange.

To harness this energy source, the heat pump unit is connected to a series of pipes buried in the ground. The pipe system, which can be installed vertically using bore holes, horizontally using trenches, or in coils on the bottom of ponds, usually contains an antifreeze solution through which heat is moved into or out of the home.

### What are the advantages?

Ground-source heating is extremely energy efficient. In fact, the U.S. Environmental Protection Agency concludes that geothermal systems are the most energy efficient and environmentally clean of all heating and cooling options on the market today.

Another positive feature is the heat pump's ability to double as a highly efficient cooling system in the summer. Other benefits include:

- ▶ Low maintenance. Just check the filter periodically and change when necessary.
- ▶ Operates very quietly.
- ▶ Safety advantages over combustion-based systems. There's no chance of carbon monoxide, no open flame to cause a fire, and no threat of explosion hazards or spills associated with storing fuel on your property.

Those who install geothermal heating systems also may be eligible for a \$300 federal tax credit.

### Are there any drawbacks?

The up-front installation costs of a ground-source system will be higher than the cost to install a conventional



home heating system. The higher cost results from the need to drill bore holes or excavate trenches for the piping system.

When comparing costs, however, it's important to remember that a geothermal system also provides air-conditioning for the entire home. And in most instances, the additional costs of installing a geothermal system will be paid back to the homeowner in the form of reduced energy bills in less than seven years.

That's because geothermal heating units achieve operating efficiencies of up to 500 percent. That means a geothermal unit is over five times more efficient than the most efficient fossil-fuel-based heating unit.

### How do I learn more?

Before installing a ground-source heat pump, it's a good idea to weigh the investment cost against your expected payback in operational savings. It's also wise to compare electric heating options to traditional fossil fuel systems. There is a wealth of information on heating comparisons on the Internet, and Tri-County has a section on the subject that can be found in the "news & info" section of our Web site, [www.tri-countyrec.com](http://www.tri-countyrec.com).

Tri-County can also help members design a geothermal system for their homes or businesses. The co-op has a certified geothermal installer on staff, as well as computer software that we can use to assist you and your contractor in the design process.

If you would like more information about geothermal heating, please call Tri-County's member services department at the 1-800-343-2779. We can also provide you with a list of area contractors who install geothermal heating systems. ☀

## SAFETYzone

### Danger from above

With autumn at hand, many people will be trying to squeeze in a few outdoor projects before colder weather arrives.



If those projects involve the use of a ladder, keep the following safety tips in mind.

- ▶ Use a fiberglass ladder, if possible, when working around overhead power lines or electrical sources. Metal ladders conduct electricity, which can be fatal if the ladder contacts electric lines.
- ▶ Always check for overhead wires before setting up a ladder. Assume that all overhead wires carry electricity. Some overhead lines are coated to extend the life of the line; the coating is not intended to protect against electrocution.
- ▶ Lower the ladder when moving it.
- ▶ Never work on a windy day, as a gust of wind could shift the ladder into an overhead wire.
- ▶ When placing the ladder on the ground, make sure the distance to the nearest overhead wire is at least twice the length of the ladder.
- ▶ Make sure the ladder is placed on solid, level ground to prevent sliding.