



PowerLines

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Transparency

by Matthew Boshaw, CEO & General Manager

Most years in my October article I review either my remarks from the Annual Meeting or my responses to questions from the membership from the meeting. This year, I would like to focus on just a few of the questions from our membership and do a deeper dive into the responses. Of the 20 questions or comments we received prior to the Annual Meeting, several revolved around our rates. Primarily, how we have been able to avoid the increases the investor-owned utilities surrounding us have implemented in 2022.

As many of you have probably noticed, there have been many stories about supply chain issues, inflation, grid stability, and rising electric utility rates throughout the year. The investor-owned utilities, including the one that serves my home, have had two significant rate increases this year — one

in June and one in September. Central Electric Cooperative (CEC) members have not had a rate increase since February 2020 and, as I have said many times, we will not have one in 2022. Some of the questions we received asked how we were able to manage this.

We are not immune to upward rate pressures created by significant inflation, the supply chain, and the closure of generating supply stations, but we have been able to delay and mitigate those concerns. We began by increasing our inventory of critical materials in anticipation of the supply chain concerns. This has served us well in two ways. We purchased materials prior to some of the significant cost increases caused by inflation and prior to commodities becoming scarce. These materials are not perishable and will serve our membership as we navigate this challenging economic time.

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The largest cost we have each year is our generation and transmission services. We purchase all of our generation and transmission resources from Allegheny Electric Cooperative (Allegheny). As a reminder, CEC has an ownership interest in Allegheny with 13 other Pennsylvania and New Jersey distribution cooperatives. This relationship is particularly relevant when discussing how we mitigated our exposure to increasing costs in the generation marketplace. Allegheny has ownership of generation assets that supply 60-70% of our needs and had fixed contracts for 2022, which supplied the remainder of our needs at prices prior to the recent marketplace volatility. Additionally, Allegheny has a long-term contractual relationship with transmission line owners that has provided the service at a favorable rate.

The final component that allowed us to maintain our rate during this volatile time is our business model. As a private, not-for-profit, electric distribution cooperative, we have no profit component to include in our rate. Additionally, we are able to, as financial conditions permit, return capital credits to our membership each year.

As I mentioned, while we are in a position to be less exposed, we are not immune to upward rate pressures in the market. The transmission rate contract I mentioned expires in the fourth quarter of this year, and the market prices for the component of our generation supply that Allegheny

does not own, have increased dramatically. We have not received final costs from Allegheny for 2023's rates, but our preliminary information indicates we will see significant increases in those services.

Because we recognize the economic concerns our membership is facing, we will do all we can to mitigate the magnitude of the increase. Because our exposure to the additional costs is lessened in comparison to investor-owned utilities around us due to the circumstances discussed above, the increase we have to implement in 2023 will be significantly lower than increases seen by those companies this year.

This comparison is only for reference, as we understand the fact that their rate has increased more than ours will not mean ours has not changed. With that in mind, and as we work through our annual budget process, we will continue to implement plans to mitigate those increases. We will continue to share as much information as possible so you can better understand the decisions we make on your behalf.

“Because our exposure to the additional costs is lessened in comparison to investor-owned utilities around us due to the circumstances discussed above, the increase we have to implement in 2023 will be significantly lower than increases seen by those companies this year.”

Matt Boshaw, CEO &
General Manager

Focused on **YOU.**

Electric cooperatives were created to serve their members. Because we're a co-op, we're able to adapt to our community's unique needs. That's the power of co-op membership.

OCTOBER IS NATIONAL CO-OP MONTH



The Safety Linke



Don't be a stranger, to electrical danger.

Driving Distracted

Over the last month or so, many of us were impacted by the return of the school year, the increased traffic on roads, and foot traffic on sidewalks or around schools. As we all adjust to the school routine, we must also prepare for an upcoming holiday that will increase both foot and vehicular traffic for a tricky night – Halloween! The increased traffic of the upcoming holiday puts an enhanced focus on avoiding distracted driving.

Using cellphones or other devices while driving has proven to be deadly. Cellphone use during driving is very prevalent on our roads today. In fact, at any given time throughout the day, approximately 660,000 drivers are attempting to use their phones while behind the wheel of a vehicle.

Smartphones have made it easy for us to stay connected at all times. That can, however, pose serious safety risks if someone decides to check his or her text messages, emails, phone calls, or any other mobile applications while driving — especially when carefully navigating populated



Manager of Safety
& Loss Control

Dylan Linke

trick-or-treat areas or busy school bus stops.

There are some important statistics regarding cellphone use while driving I felt would be beneficial to share. The National Safety Council reports that cellphone use while driving leads to approximately 1.6 million vehicle accidents each year, resulting in over 300,000 injuries. One out of every four vehicle accidents in the United States is caused by texting and driving, which is six times more likely to cause an accident than driving drunk. Answering a text message takes your attention away for about five seconds, the time it takes to travel the length of a football field at 55 MPH.

There are several tips and tricks to avoid unnecessary cellphone use while driving. Simply — while driving, put the cellphone down, or on airplane mode if needed to eliminate distractions, as well as the urge to check it. If you need to text or call, pull over to a safe area. When traveling as a passenger, urge any driver who is using their cellphone to put it down.



Standby power accounts for 5% to 10% of home energy use.

Value of Electricity



1 pair
of new jeans

=
685 hours
of running the
washing machine

Based on 13 cents per kWh, a \$48 pair of jeans and a clothes washer that uses 500 watts/hr.

Meter Readings

with Laura Prosser

Supervisor of
Member Services



For our members looking into the most energy-efficient heating equipment, consider a heat pump. According to the Department of Energy, heat pumps provide up to three times more heat than the energy they use. They can reduce your electricity use for heating by approximately 50% when compared to an electric furnace or electric baseboard heaters. This means more heat for your energy dollar.

So, how does it work? A heat pump warms your home by collecting heat from the air or ground outside and concentrating it for use inside. Air-source heat pumps are the most common option and consist of an indoor and outdoor unit used to transfer heat between your house and the outside air.

Heat Pump Technology

A geothermal heat pump consists of an indoor unit and a series of pipes in the ground to transfer heat between your home and the ground outside. This method of transferring heat is much more efficient than producing heat from burning fossil fuels.

Another benefit of heat pumps is their ability to also offer central air conditioning to your home with the same equipment, working in a reverse manner.

Understanding how it all works and finding your best heat pump option isn't easy. Seek the advice of a trusted, reputable HVAC technician when considering upgrading your heating and cooling equipment, and remember the most energy efficient option will have an Energy Star rating.

CEC currently has rebates available for Energy Star rated heat pumps.

Visit www.central.coop/rebates
to learn more.



All is Bright with the New CEC Christmas Lights Contest!

Deck your home with all things festive and you could win the CEC Christmas Lights Contest!

There will be three winners. First place (or the Griswold Award) will receive a \$500 bill credit and a \$500 donation to a charity of the member's choice! Second place will receive a \$250 bill credit and third a \$100 bill credit!

The contest is open to both residential and commercial CEC members and the rules are simple — there are no special themes or guidelines, just be creative and festive.

To enter, members must complete the registration form on CEC's website and attach a photo or video of their display before Dec. 9.

Voting is open to all and will take place on CEC's website from Dec. 12 to Dec. 22.

The winners will be announced on CEC's website on Dec. 23 and in February's Power Lines newsletter.

Details:

- Registration must be completed by Dec. 9.
- The entered display must be at an address that receives service from CEC. Seasonal or commercial members cannot enter a display at an address other than their CEC membership address.
- Only one entry per membership is eligible.
- Employees and directors of CEC, along with members of their immediate families, are ineligible.
- For the Griswold Award, the charity must be a 501(c)3 in CEC's service area.
- Bill credits are not redeemable for cash.

Visit www.central.coop for more information or to enter.

By entering this contest you grant CEC permission to use the image or video in any and all of its publications. CEC reserves the right to disqualify any entry deemed inappropriate or offensive.



Did you take our survey yet?

Complete the survey by Nov. 18 and be entered into a drawing to win FREE ELECTRICITY FOR A YEAR* or a Visa Gift Card!

CEC will give away one year of free electricity (valued up to \$1,500*) and a total of six Visa gift cards valued up to \$500 each.

www.central.coop/survey

Recipe of the Month

Pumpkin Chocolate Chip Dip

Cake Ingredients:

- Two, 8-ounce packages cream cheese, softened
- 1 cup canned pumpkin
- 3/4 cup powdered sugar
- 1-1/2 tablespoons pumpkin pie spice
- 1-1/2 cups chocolate chips

Directions:

In a large bowl, beat the cream cheese until smooth. Add the pumpkin, powdered sugar and pumpkin pie spice; and mix. Once the dip is smooth, stir in chocolate chips. Cover and refrigerate for at least four hours before serving.

Thank you to Marie Cherrison for submitting this recipe!

CEC Management Team

Matthew P. Boshaw
CEO & General Manager

Chester Conti
Director of Finance and
Accounting/CFO

Christopher W. Kossman
Director of Information Technology

Stephanie Deal
Director of Human Resources

Fred E. Terwilliger
Assistant General Manager/COO

Lisa A. Hoover
Director of Member Services

Read Power Lines and Win!

Reminder: Complete the Newsletter Survey in September's newsletter for a chance to win one of six \$25 bill credits. Surveys are due by Oct. 28.

Read Power Lines for a chance to win a \$25 credit on your monthly electric bill by completing and returning the quiz below. You can also have a chance at another \$25 bill credit by submitting a quiz online at www.central.coop.

If you don't have access to the internet, indicate that on the quiz and we'll also enter you in the online drawing. Just complete and enclose the quiz and personal information below and return it with your monthly payment.

1. True or False: Because we recognize the economic concerns our membership is facing, we will do all we can to mitigate the magnitude of the 2023 rate increase.

Answer: _____

2. True or False: One out of four vehicle accidents in the United States is caused by texting and driving.

Answer: _____

3. True or False: CEC currently has rebates available for Energy Star rated heat pumps.

Answer: _____

How are we doing? (no wrong answer)

Name: _____

Phone: _____

Acct. #: _____



Central Electric Cooperative

A Touchstone Energy Cooperative

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