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Vote for Our Photo Contest



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Board of Directors

Jody P. Weaver President

Kenneth Durrett Vice President

Althea M. Smith Secretary/Treasurer

Kenneth D. Etzel Nancy Lendyak Robert W. Smith Bette D. Walters Richard L. Weaver

Finding the Right Balance

by Matthew Boshaw, CEO & General Manager

One of the primary governance roles of your member-elected board of directors is fiscal responsibility. With that in mind, Central Electric Cooperative's (CEC's) board put a financial plan in place to provide clear direction to CEC staff regarding financial priority. The plan is quite comprehensive and includes direction, in priority order, for rates, rotation of patronage capital, member equity level, and a few other items that impact CEC's financial health. I would like to highlight that the single highest financial priority that the board has identified is the rate to our members. They recognize that while the other financial issues are important and can impact rates, nothing is more important than maintaining a reasonable and stable rate for this essential service.

The board's direction for rates is to extend the time between increases

as far as possible and be competitive with, and work to be lower than, the surrounding utilities. We have been measurably successful in meeting these goals. We have not had a rate increase since July 2016 and do not plan one in 2019. We have a rate lower than one of our neighboring investor-owned utilities and have narrowed the gap substantially with the other, despite having significantly fewer members per mile (which spreads the costs).

Electric utility rates are made up of several components. They include generation, transmission, demand, distribution, and base charges. As complex as they may seem, residential electric rates have been billed largely the same since electricity was first supplied. As you can see from your current electric bill, there is a base charge along with a cost per kilowatt hour (kWh) for your distribution, and generation and

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transmission (G&T) energy usage.

The G&T charge is effectively a pass through of the cost from our G&T provider. The other two components — base charge and distribution energy charge (kWh) — are meant to recover the cost of our distribution system infrastructure. This two-part, distribution rate — one fixed and one variable based on usage component — creates potential volatility in our revenue. In an extreme weather year (hot summer and cold winter) the variable component is higher because our members use more electricity. While this puts the cooperative in a strong financial position, it costs you more and is extremely difficult to predict and budget. Conversely, in a mild weather year, our members use less energy. This means our members pay less but the cooperative potentially can be left without enough revenue to cover expenses and could lead to a rate increase.

As I mentioned, this has been our rate structure for as long as can be remembered, but there are several factors that have elevated our concerns. First, our distribution costs have increased over 82 years. Second, our weather has fluctuated more dramatically, and our mild years are fewer and further between. Lastly, we are experiencing members who have installed alternate generation, typically solar, but stay connected to the grid through CEC's facilities. Because these installations can offset the energy component of the member's bill, the base charge component alone does not allow CEC to recover the

monthly cost of the distribution facilities, leaving the other members to cover the costs.

In an effort to mitigate these risks to both the member and the cooperative, we will be rebalancing the fixed and variable components of your distribution cost in August or September. We will decrease the variable component and increase the fixed. The variable component will also change to include a tiered cost, allowing us to make this change without any rate increase.

The only accounts that will see impact are those that use no energy. This will mitigate other members paying for unrecovered costs from a service that exists, but uses no energy. In addition, these changes will allow members' bills to have less fluctuation based on weather conditions and add to rate stability.

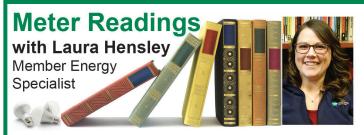
Our website will have a bill calculator to allow you to do a side-by-side comparison that will illustrate that the same kilowatt-hour usage will result in the same end cost to each member — so again — no rate increase.

As I mentioned our rate structure has been largely the same for most of our existence, so we have been careful to ensure these changes will provide the benefits described with as little impact on each member as possible. With that in mind, we continue to research ways to maintain our rates in a manner that will best serve the long-term interests of our members.

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Matt Boshaw, CEO & General Manager



For many members summer can mean a time for home improvements — which could include new windows. An investment in high-performing windows helps save with heating and cooling costs.

When purchasing windows, first look for the Energy Star logo. Then look for labels with ratings from the National Fenestration Rating Council (NFRC) for more details on efficiency.

On the NFRC label you will find:

- U-Factor: Measures how well the window keeps indoor heat from escaping. Range will be 0.20 to 1.20. The lower this number, the more efficient. In Pennsylvania look for a rating of 0.25 or less, according to the Efficient Windows Collaborative.
- Solar Heat Gain Coefficient: Measures how

Selecting Energy Efficient Windows

the window can resist unwanted solar heat gain. Range will be 0 to 1. The lower the number, the less you will spend on cooling. In Pennsylvania select a window with a rating less than 0.32 if cooling is a significant concern. If heating is the biggest concern, select a window with a rating of 0.35 to 0.60 to allow for natural solar-heat gain.

- Visible Transmittance: Measures the amount of visible light transmitted through the window. Range will be 0 to 1. The higher the number, the more natural light.
- Air Leakage: Measures how much air can pass through cracks in the window assembly. Range will be 0.1 to 0.3. The lower the number, the fewer potential drafts.

Be sure to invest some research into the efficiency of new windows, especially if you are doing a large project. Also key to window performance is proper installation and maintenance.

SAFE Y MA ERS

Always Assume a Downed Power Line is Deadly

Overhead power lines carry thousands of volts of electricity. If a line is down, always assume it is energized and dangerous, even if the power is out in your area. Touching or getting near a live power line injures and kills. Remember a downed line isn't always visible.

Stay clear of all types of utility lines as they may have contact with energized power lines. CEC offers these additional safety reminders:

- Call 911 to report fallen or damaged lines.
- Power lines do not have to be arcing, sparking, or making a humming noise to be live.
- Do not attempt to move a downed line or

anything it is touching with another object such as a stick or pole.

- Stay at least 10 feet away from the downed power line. Always.

Always consider all lines, regardless of the type, energized at deadly voltages. For more information about electrical safety, visit SafeElectricity.org.

At CEC safety is everyone's responsibility. CEC's Shannon Blain's personal safety goal is to make a conscious effort to pay attention to people and possible safety dangers around her. What's yours?

Mark Your Calendar for Our 82nd Annual Meeting

You are invited to attend our Annual Meeting on Friday, Aug. 23 at Whitehall Camp & Conference Center in Emlenton starting at 4:30 p.m. There will be a live performance by American Pie (Pittsburgh's favorite oldies band), a delicious meal from Kentucky Fried Chicken, and a chance to win a number of door prizes. The event also offers a health fair, drone demonstrations, information on solar panels, and more! Children ages 5 to 10 will enjoy a variety of activities and a prize specifically for them!

You can make reservations for the meeting, and for children's entertainment, by completing the form

below, visiting our website, or calling us at 800-521-0570. Registration deadline is July 31.

For more information, directions or to check out the agenda visit www.central.coop.



Name:	
Address:	
Account No:	Phone No:
Please reserve a total of	dinners for my family at the annual meeting on Aug. 23.
	ment is for children ages 5 through 10 only. Ages of children:
Submit your question before the meeting at the meeting even if you did not submy question:	•

By attending the annual meeting, I grant CEC permission to use my likeness in photographs in any and all of its publications, including internal and external newsletters and website entries, without payment or other consideration.

Return this coupon to CEC by July 31.

Annual Meeting Registration Form

Vote for Our Photo Contest!

Vote for the top five photos in our Photo Contest at www.central.coop. Online only voting will take place from June 19 to Aug. 2.

Members without the Internet will be able to vote through the September issue of this newsletter.

A big thank you and good luck to everyone who entered this year's contest!

When you hear a
Peak Alert
reduce electric use.
Help us help you save!

Visit www.central.coop or call us for more information.

2019 Director Election Update

Your electric cooperative is not owned by faraway investors, nor run by an appointed board of directors. Your electric cooperative is run by a democratically elected board who is given the privilege to serve because of your vote.

Each year, two of CEC's board members are up for reelection. In the past, we sent you an election ballot regardless of how many candidates were running for each director seat. But when elections are unopposed, we receive questions regarding the need to print and mail ballots. After much consideration, the board has voted to make a bylaw change which saves the cost of a formal election

when candidates are running unopposed. Therefore, moving forward you will only receive an election ballot when there are two or more candidates running for an individual director seat.

The 2019 election only has one candidate running for each director seat, so we will be implementing this bylaw change for the first time. What this means is you will not receive a ballot for the 2019 director election.

If you have any questions about any of this information, please feel free to contact us at 800-521-0570.

2019 Director Candidates



Forest County: Bette D. Walters, Incumbent Nominee, Tionesta

Mrs. Walters has been a CEC member since 1977 and was elected to the board in 1988. She is a former board president and has earned her Director Gold Cooperative Certificate from the National Rural Electric Cooperative Association (NRECA), signifying she has earned all possible director accreditations.

Mrs. Walters is retired from the Penn State University Cooperative Extension program. She has a bachelor's degree in home economics from Indiana University of Pennsylvania and a master's degree in communication from Clarion University of Pennsylvania.



Venango County: Althea M. Smith, Incumbent Nominee, Venus

Mrs. Smith has been a CEC member since 1979 and was elected to the board in 1995. She currently serves as Secretary and Treasurer of the CEC board and as CEC's Pennsylvania Rural Electric Association (PREA) Director in Harrisburg. She has also earned her Credentialed Cooperative Director and Board Leadership Certificate from the NRECA.

Mrs. Smith is retired from Venus Telephone Corporation. She and her husband Eugene Smith Jr., live near Venus. They have two daughters, two grandsons, and two granddaughters.

Recipe of the Month

Kosher-Style Dill Pickles

Ingredients:

- 1-1/2 pounds cucumbers
- 6 sprigs fresh dill
- 3 cups water
- 1 cup white vinegar
- 2 tablespoons kosher salt
- 9 cloves of garlic
- 2 bay leaves
- 1 teaspoon dried dill weed
- 1/2 teaspoon black peppercorns
- 1/2 teaspoon whole fennel seeds

Directions: Slice cucumbers into 1/4-inch thick rounds. Divide slices among three pint jars. Add two dill sprigs to each jar. Combine all remaining ingredients in a small saucepan, bring to boil. Simmer and cook for five minutes. Ladle hot brine over cucumbers, being sure three cloves of garlic go into each jar. Set jars aside, uncovered, to cool for one hour at room temperature. Refrigerate, uncovered one hour. Then cover and store in refrigerator for up to three months.

> Thank you to Arlene Texter for submitting this recipe!

CEC Management Team

Matthew P. Boshaw CEO & General Manager

Dennis W. Beggs Director of Finance and

Accounting/CFO

Stephanie Deal Director of Human Resources

Lisa A. Hoover Director of Member Services Christopher W. Kossman Director of Information Technology

Fred E. Terwilliger Assistant General Manager/COO

Read Power Lines and Win!

Last Issue's Winner:

Suzanne Weiland of Butler

Last Issue's E-Winner:

Timothy Best of Knox

Read Power Lines and win a \$25 credit on your monthly electric bill by completing and returning the guiz 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 guiz 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: CEC is not planning a rate increase for 2019.
Answer:
2. True or False: Visible Transmittance measures the amount of nonvisible light transmitted through the window. Answer:
3. True or False: You should always stay at least 10 feet away from downed power lines. Answer:
How are we doing? (no wrong answer)
<u> </u>
<u> </u>
Name:
Phone: Acct. #:



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