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Register for Our 2013
Annual Meeting of the
Members

Enter Our 2013
Photo Contest

“Watts” Inside

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Bette D. Walters
Richard L. Weaver

PowerLines



Photo by CEC employee Renee Spence

Decisions, Decisions

by Matthew Boshaw, CEO & General Manager

Every day you are faced with decisions. Some are simple, Coke or Pepsi, McDonald's or Burger King® and the like. Some are more important, when to buy a house or change jobs, and so on. Your Central Electric Cooperative (CEC) Board of Directors and employees are no different. We make decisions every day. Some are trivial and have no impact on our membership but others directly affect you. We recognize this and give these important decisions significant time and consideration. Except for those choices affecting public and employee safety, perhaps no decision has as direct an impact on our membership as changes to our rates.

CEC last raised your rates in January of 2012. In the fall of 2011 our board had significant discussions regarding a potential rate change for 2012. The issues

discussed focused around whether to implement a rate increase, its timing, and how much. The decision to have a rate increase is never one we look forward to but in our case, in April of 2009 our power supply rate increased to the point that made it very necessary to meet our financial requirements. About 56 percent of our annual costs come from our power supply. As we have discussed many times in the past, Allegheny Electric Cooperative (AEC) is our power supplier and CEC is a member owner of that cooperative. We receive a financial forecast from AEC every two years that estimates future rate increases from AEC for years to come. Based on this information, our knowledge of the planning process and CEC's financial condition, we have to make decisions on potential rate increases for our members. One of the biggest points of discussion, in the fall of 2011, was whether to

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have a rate increase that would cover one or two years' worth of the AEC projected income. There are pros and cons to both approaches but ultimately our board decided that there were too many variables to accurately estimate what the second year forecast might actually bring. With that in mind, we implemented a rate increase in January of 2012, intending to review our needs again the following year. This proved to be a good decision from a rate point of view because despite unplanned, increased costs from AEC and a slow sales year due to weather conditions, we were able to meet our financial requirements and start 2013 with no rate increase. At our Annual Meeting last year I announced this, and told you we would continue to monitor our finances throughout the coming year. While we have been able to avoid an increase until now, we will increase our rate by approximately 5.5 percent effective July 1, 2013.

In an attempt to make a single change to your billing, CEC will also unbundle the generation and transmission rates on your bill, as of the July billing cycle, to coincide with the rate increase. What this means is that on a typical residential bill there will be two lines under the Generation/Transmission section, instead of the one that you see today. The two lines will be G & T Charges (as seen today) and Generation Recovery Charge. These two, combined, will add up to what is currently the G & T Charge. There is

no additional cost increase associated with this unbundling. It just better reflects the fact that CEC, as a not-for-profit electric cooperative, meets our power supply needs through a mix of self-owned generation resources and some market purchases as an AEC member owner. The Generation Recovery Charge component reflects the costs associated with operating and maintaining our low-cost generating plants. It is the cost of ensuring the continued pricing advantage and stability that cooperative consumer-members enjoy.

Our board and employees have worked diligently on some other significant decisions that we believe will provide even greater rate stability and potentially rate relief in the future. These decisions include the areas of power purchase, benefits administration and added efficiency in company process and procedure. Of course we will continue our constant effort to provide you with safe and reliable electric service. Our annual maintenance efforts, as always, are focused on providing our membership with continuously improving service.

We take our responsibility to you very seriously and recognize that our decisions have impact on our members. With that in mind, we will continue to use our resources in the most efficient ways possible and look for continued improvement.

July 1, 2013 Rate Change

- Needed due to increased energy costs.
- Increase of 5.5 percent, or about \$6 a month.
- Represents percentage increase in kWh, and \$1 base charge.

For more information see p. 5.

Don't Forget To Enter Our Photo Contest!

Visit www.central.coop under the May Power Lines link for more information!

Ken's
ilowatt
corner



www.central.coop
Check it out!
By Ken Maleski
Residential Analyst
& Advisor



Do you want to add air conditioning that doesn't have a duct work distribution system to your home? Are you finding that a new room addition is almost impossible to hook up to your existing duct work? Why not consider a ductless mini-split air conditioning system? The mini-split system is comprised of an outdoor compressor and one or more indoor air handlers (see photo). A 3-inch conduit runs from the outdoor unit to the indoor unit and contains a power cable, refrigerant tubing, suction line, and condensate tube. Each indoor unit is controlled with a thermostat.

Advantages

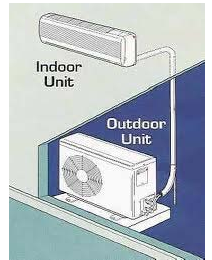
- Flexibility to cool individual rooms.
- Installation only requires a 3-inch hole to run conduit between units.
- Outdoor unit can be located on opposite side of house (up to 50 feet away).

Ductless Air Conditioners

- No duct work losses (can account for up to 30 percent energy savings).
- Design flexibility because they can be mounted from the ceiling, flush with a drop ceiling, or hung on the wall.

Disadvantages

- Installation cost may be higher.
- Each conditioned area or zone must be sized and located properly by installer. Over sizing can cause short-cycling, which wastes energy and decreases comfort.
- Not all HVAC contractors are qualified to install mini-split systems.



So, if air conditioning is in your plans this summer, why not consider a mini-split ductless air conditioning system. It may have substantial labor and energy savings. Now that's cool!

Congratulations to Our 2012 Coloring Contest Winners!



Eden Criado, age 5, of Utica



Catherine Fallen, age 9,
of West Sunbury



Alena Jade Keller, age 12,
of New Bethlehem

Mark Your Calendar for our Annual Meeting of the Members

Attend this year's Annual Meeting of the Members on Friday, Aug. 23, 2013 at Whitehall Campgrounds beginning at 4:30 p.m. Enjoy dinner, entertainment by the band Leather & Lace, children's entertainment, and a chance to win a number of prizes!

You can make reservations for the meeting by completing the form below or calling us at 1-800-521-0570. Registration deadline is July 31, 2013. For more information, or to check out the agenda, visit www.central.coop.

Annual Meeting Registration Form

Name: _____

Address: _____

Account No: _____ Phone No: _____

Please reserve a total of _____ dinners for my family as we will attend the Annual Meeting dinner on Aug. 23, 2013. Limit of four meals per member.

Children's entertainment is provided for children ages 5 through 10. Please indicate how many children will be attending: _____ Ages of children: _____
(A child with a medical condition must be accompanied by an adult.)

Contact at meeting in case of emergency: _____

Submit your question before the meeting to allow us to answer it efficiently. (You may ask a question at the meeting even if you did not submit it ahead of time.)

My 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, 2013.

2013 Good Neighbor Scholarship Winners

The Good Neighbor Scholarship program awarded two grants of \$1,000 each to cooperative members who want to further their education in 2013. This scholarship is available to all members who are at least a high school senior, or enrolled in a post-secondary institution. Returning adults are welcome to apply. For more information on this program, please visit www.central.coop.



Ashley Groner, Cranberry High School



Noelle Lemmons, Kittaning High School

Rate Increase

Due to rising energy costs CEC rates will increase 5.5 percent, or about \$6 a month. This change takes effect July 1, 2013 and represents a percentage increase in both kWh cost and \$1 base charge.

While CEC strives to keep rates as low as possible, this change was necessary due to increases in wholesale power costs. Energy costs represent 56 percent of members' bills.

CEC's last rate increase was 6.5 percent on Jan. 1, 2012, also due to increases in power costs.

Electricity Remains a Good Value

The cost of powering your home rises at a slower pace than expenses like gas and groceries. Compare the average price increase of these expenses each year over the span of a decade, and the value of electricity shines.



SAFETY

Noise Safety

M Hearing loss caused by exposure to noise is 100 percent preventable. However, once you lose your hearing you can never get it back.

A Every time you expose yourself to loud noises, even for a few seconds, you can damage your hearing. Hearing loss is different than other types of injuries because you are not aware of it happening as the sound level that causes pain is well above the level that damages our hearing.

T Hearing damage can occur if you are exposed to noise levels of 85 decibels(dB) or greater. To protect your hearing, you must wear hearing protection that meets the action level set by the Federal Government which is 85 dBA (A-weighted decibels) on a time-weighted average over an eight-hour day.



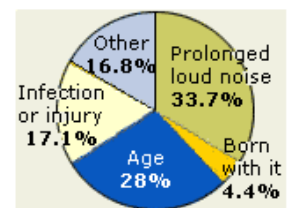
Matt Alderson
Manager of Safety and
Operations Support

Example Decibel Level Chart

The noise levels in bold are the ones for which you should use hearing protection.

- **Rock concert: 110 plus dBA**
- **Chain saw: 100 plus dBA**
- **Wood chipper: 100 plus dBA**
- **Heavy truck (at 50 ft.): 90 dBA**
- **Injury threshold: 90 dBA**
- Normal speech: 50 – 60 dBA
- Alarm clock: 70 dBA
- Library: 30 dBA

Most Common Causes of Hearing Loss in the U.S.



Recipe of the Month

Fresh Rhubarb Pie

Ingredients

- 2 9-inch pie crust pastries
- 1-2/3 cups sugar
- 1/3 cup flour
- 4 cups cut-up rhubarb (1/2 inch pieces)
- 2 tablespoons butter

Directions

- Heat oven to 425 degrees.
- Prepare crust.
- Rinse rhubarb with water and drain.
- Mix sugar and flour; stir in rhubarb.
- Turn into pastry lined pie pan.
- Dot with butter.
- Cover with top crust; slit crust; seal and flute edges.
- Cover edge with 2-3 inches of aluminum foil.
- Bake 40-50 minutes until crust is browned and juice begins to bubble through slits.

Thank you to Linda Knott for submitting this recipe!

**My recipe supply is running low!
Please send in your recipes, to be
shared in our newsletter, today!**

Send Recipes to:

Renee Spence at rspence@central.coop or mail to CEC,
716 Route 368, PO Box 329, Parker, PA 16049

CEC Management Team

Matthew P. Boshaw
CEO, General Manager

Dennis W. Beggs
*CFO, Director of Finance and
Accounting*

Christopher W. Kossman
Director of Information Technology

Stephanie Deal
Director of Human Resources

Christina J. O'Donnell
*Director of Member and
Community Relations*

Lisa A. Hoover
Director of Member Services

Fred E. Terwilliger
*Director of Engineering and
Operations*

Read Power Lines and Win!

Last Issue's Winner:

Wayne R. Carson of Boyers

Last Issue's E-Winner:

Donald Olszewski of Saxonburg

Read Power Lines and win! It's simple — you can win a \$25 credit on your monthly electric bill by completing and returning the quiz below. And you have a second chance at another \$25 bill credit by submitting a quiz online at www.central.coop/quiz.

If you do not have access to the internet, indicate that on the quiz and we will also enter you in the online drawing. Just complete, clip and enclose the quiz and personal information below and return it with your monthly payment. For quiz rules visit www.central.coop/quiz.

1. True or False: The leading cause of hearing loss in the United States is prolonged exposure to loud noise.

Answer: _____

2. True or False: Not all HVAC contractors are qualified to install mini-split systems.

Answer: _____

3. True or False: CEC's last rate increase was in January of 2012.

Answer: _____

How are we doing? (no wrong answer)

Name: _____

Address: _____

Phone: _____ **Account #:** _____



Central Electric Cooperative

A Touchstone Energy® Cooperative

716 Route 368 • PO Box 329 • Parker, PA 16049-0329 • www.central.coop
Customer Service 1-800-521-0570 • Emergency Outage Number 1-800-282-8610