

Inside: Learn How To ...

Receive Federal
Tax Credits

Thank a Lineman

Enter Our 2016
Photo Contest

“Watts” Inside

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PowerLines

2014 Photo Contest Entry
Photographed by Donece Toy of Kossuth

It's Retirement Season

by Matthew Boshaw, CEO & General Manager

I know you can't turn on the television right now without seeing an advertisement for a tax service referring to this time of year as “refund season.” I almost used the same language here, but for CEC it's retirement season. I discuss the Cooperative Difference and all it means on many occasions. The cooperative business model has many things that distinguish it from that of a for-profit business. Local control is an excellent example of these differences. Our member-elected board of directors ensures the priorities of the membership are the priorities employees are following. Competitive rates and safe, reliable service always top the list but among the highest priorities is our rotation of patronage capital.

One of the things that separates us the most from investor-owned utilities is our not-for-profit status. It's that not-for-profit part that tells

us how we allocate our annual margin, the amount leftover after we have covered all of the cooperative's expenses for the year. The way the rotation of patronage capital works is actually quite simple. Those who created cooperatives understood this particular business was intended to provide electric service indefinitely, so the cooperative model is ideal. At the end of each fiscal year, our board allocates available margins to the membership based upon their electric usage during that same fiscal year. That money is tracked in individual allocation accounts and is held as the member's equity in the system for a number of years. As the financial health of the organization allows, those funds are refunded to our members in the form of capital credit retirement. It's this process and the equity I mentioned that truly makes our members, owners.

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“Our board approved retiring over \$1.5 million in capital credits to our members this year. Those with active accounts will see this as a bill credit on their April bill. Those who have left our system will receive a check.”

Matt Boshaw, CEO & general manager

Our board has always held capital credit retirement as a very high priority and each year they make a choice whether or not to retire, and how much to retire, based upon the financial stability of the organization at the time. The time of year the retirement takes place has changed over the years for various reasons. For the past several years we made the retirement in the spring, so that our fiscal year and independent audit of our finances were complete. Our board believes this gives us the best possible overview of the cooperative's financial health. With that in mind, our board approved retiring over \$1.5 million in capital credits to our members this year. Those with active accounts will see this as a bill credit on their April bill. Those who have left our system will receive a check.

There is a part of patronage capital allocation and retirement that is a little bit more complicated than our retirement method. You see, there are a few different ways to accomplish this. One way would be first in first out, or FIFO, which results in decreasing or maintaining the number of years the money is held as equity. Only those who had been members in the oldest years are given a retirement. Another would be a percentage method by which a percentage of the allocated amount for each year would be retired, allowing all members to get a retirement, but causing the number of years in the rotation to continue to rise.

We have chosen a method we believe captures the best of both options — the combination method. With this method Central Electric Cooperative (CEC) fully retires the oldest years of allocation, and a percentage of all the other years. This allows us to maintain, or decrease, the number of years that allocations are held and allows even the newest members to receive a retirement and have the opportunity to recognize one of the cooperative differences.

Thank you all for your continued membership and support of CEC, and keep an eye out for those retirements in April!

Members: Check your April bill for your refund!



CEC operates at cost. Any excess revenue is returned back to members in the form of capital credits.

For more information visit www.central.coop or call 800-521-0570.

Ken's
ilowatt
orner



www.central.coop
Check it out!

By Ken Maleski
Residential Analyst
& Advisor



Congress has extended some energy tax credits for home improvements made up to Dec. 31, 2016. Improvements must be made to an existing home or principal residence between Jan. 1, 2011 and Dec. 31, 2016. New construction and rentals do not qualify. Insulation and roofing improvements receive a 10 percent tax credit on material costs only (labor not included). The following improvements receive a specific dollar amount credit between \$50 and \$300:

- Biomass stoves
- Air source heat pumps
- Central air conditioners
- Gas, propane or oil furnaces
- Gas, propane or oil boilers
- Water heaters (excludes solar)
- Advanced blower systems

A 30 percent tax credit is available on the total installed cost (labor included) for the following

Federal Energy Tax Credits

items through Dec. 31, 2016:

- Geothermal heat pumps
- Small wind turbines (residential)
- Solar energy systems (tax credits for solar energy systems are available at 30 percent through Dec. 31, 2019).

The federal government requires all qualifying heating and cooling improvements to meet certain energy efficiency standards. Air Conditioning, Heating & Refrigeration Institute (AHRI) is the gold standard energy efficiency rating agency. Ask your heating and cooling contractor to supply you with your equipment's AHRI certification label or contact the equipment manufacturer. AHRI certification documents are not required for tax filing submission, but should be kept by homeowners for possible tax auditing.

For more information on energy tax credits visit www.energystar.gov or contact a qualified tax adviser.

Save The Date: CEC's Annual Meeting!

Join us for our annual meeting Aug. 26, 2016 at Whitehall Camp & Conference Center in Emlenton.



Attendees will receive a Kentucky Fried Chicken meal, live entertainment, a bill-credit voucher and a chance to win a number of great prizes! Children are also encouraged to attend and will enjoy a variety of activities and prizes specifically for them!

Visit www.central.coop or call 800-521-0570 for more information.

CEC's Annual Pole Inspection

As part of CEC's ongoing effort to improve system reliability, contracted pole inspection crews will begin inspecting 6,000 poles in the areas of Rockland and Coalhill substations.

Inspections typically include a visual inspection, sounding the pole with a hammer and excavation up to 18 inches around the poles. Poles identified as having issues will either be addressed in the field by Osmose Utilities Services, Inc. or by CEC personnel at a later time. All Osmose representatives and CEC employees carry company-issued identification.

The project will last several months. If you have any questions, please contact CEC's Matt Alderson, manager of safety and operations support, at 800-521-0570 x2206.

We appreciate your patience and cooperation.

Thank a Lineman on April 11

America's electric cooperatives have designated the second Monday of April as National Lineman Appreciation Day.

On April 11, 2016, CEC will honor the dedicated men and women who often work in challenging conditions to keep the lights on. We proudly recognize all electric linemen for the services they perform around the clock in dangerous conditions to keep power flowing and protect the public's safety.

"Our lineworkers are the first responders of our electric distribution system. They work in all weather conditions on high voltage lines and, while the work is often hazardous, our lineworkers are dedicated to providing our members with safe, reliable service," said Matt Boshaw, CEC general manager/CEO.

An Operations Department consisting of 38 employees, 33 men and five women, 27 of which are in the linemen classification, maintain over 3,200

miles of line in CEC's service territory.

CEC invites members to take a moment and thank a lineman for the work they do and show support for those who light our lives.



SAFETY MATTERS

Road Construction Work Zone Safety

In the last five years, more than 4,000 people have died (85 percent were the driver or passenger) and 200,000 people were injured in work zone accidents. Everyone has a role in keeping work zone areas safe during road construction. To do your part in keeping these areas safe, follow these tips:

- Stay alert and minimize distractions. Dedicate your full attention to the roadway. Avoid changing the radio, using a mobile phone, eating, or other distractions that you can remove your concentration from the road.
- Keep your headlights on.
- Pay attention to the road. Obey road signs.

- Watch traffic around you and be prepared to react. Watch brake lights on vehicles ahead.
- Don't tailgate. Follow other vehicles at a safe distance.
- Merge into the proper lane well before you reach the lane closure. Be aware that traffic patterns can change daily.
- Obey the posted speed limit: Workers may be present just feet away. Fines may be doubled for moving traffic violations. Be prepared to slow down further if conditions indicate the need.



Submit Your Photo and Win!

CEC is excited to announce its 2016 member photo contest! CEC will award prizes for the top three winners: \$100 first place, \$50 second place and \$25 third place. Submit your best photo for a chance to win! The subject of your photo can be beautiful scenery and landscapes, interesting or unusual buildings or structures, power line equipment or anything else you find appealing. You must submit your photo before June 10.

Members vote for the top five photos from June 20 through Aug. 4. You may then vote for the top three photos beginning Aug. 8.

You can vote through our website at www.central.coop, or by visiting our office. You will also have the opportunity to vote using a ballot in our September Power Lines newsletter. CEC will announce the winners in late October.

If you have any questions about this contest, please email Renee Tritten at rtritten@central.coop or call 1-800-521-0570 x2173.

By submitting a photo entry to this contest you are granting CEC permission to use the image in any and all of its publications, including internal and external newsletters and website, without payment. However, photo credit will be given. CEC reserves the right to disqualify any photo deemed inappropriate or offensive.

Rules:

1. Only one entry per member.
2. The photo must have been taken by a CEC member within one of CEC's seven service counties (Allegheny, Armstrong, Butler, Clarion, Forest, Mercer and Venango).
3. The photo should be submitted electronically to Renee Tritten at rtritten@central.coop by June 10. If you are unable to submit it electronically, please contact Renee to make other arrangements. When submitting a photo, you must include where the photo was taken, a brief description of the subject, who took the photo, how you would like to be recognized within the photo's credit line, and a title for the photo.
4. Employees and directors of CEC, along with members of their immediate families, are ineligible.
5. The prizes will appear as a credit on the winners' bills and may not be redeemed for cash.

Attention High School Seniors: PREA Scholarship

A minimum of five \$1,000 PREA scholarships, in memory of William F. Matson, are available for the 2016-2017 college year.

Who is eligible?

The PREA Scholarship Trust Fund offers scholarships to children of members and employees of electric cooperatives in Pennsylvania and New Jersey who belong to the Pennsylvania Rural Electric Association (PREA). Applicants must be high school seniors.

Applications and required information must be received no later than **May 9, 2016**. Finalists will be sent a follow-up questionnaire that must be returned by **June 15, 2016**. Scholarship awards will be announced at the PREA summer meeting in July. To download a PDF version of the application visit www.prea.com or mail your request to:

PREA Scholarship Trust Fund
P.O. Box 1266
Harrisburg, PA 17108-1266

Recipe of the Month

Breakfast Squares

Ingredients:

- 2 cups quick oats
- 1/4 teaspoon salt
- 1/4 cup vegetable oil
- 1 large egg
- 1/2 cup brown sugar
- 3/4 cup milk
- 1 teaspoon baking powder
- 1 teaspoon cinnamon
- 1/2 cup raisins

Directions: Preheat oven to 350 degrees. Grease a 9-inch baking pan. Combine all ingredients in a large mixing bowl and stir until well blended. Scrape into baking pan. Bake 30 minutes. Cut into nine squares.

Thank you to Ronald & Lois Peck for submitting this recipe!

Send in your recipes to be shared today!

Send Recipes to:

Renee Tritten at rtritten@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:

Dale & Lori Hall of Tionesta

Last Issue's E-Winner:

Wilbur Lewis of Knox

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.

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.

1. True or False: CEC uses a combination retirement method that fully retires the oldest years of allocation and a percentage of all other years.

Answer: _____

2. True or False: Tax credits for solar energy systems are available until Dec. 31, 2019.

Answer: _____

3. True or False: In the last five years, more than 4,000 people have died in work zone accidents.

Answer: _____

How are we doing? (no wrong answer)

Name: _____

Address: _____

Phone: _____ **Acct. #:** _____



Central Electric Cooperative

A Touchstone Energy® Cooperative

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Customer Service 1-800-521-0570 • Emergency Outage Number 1-800-282-8610

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