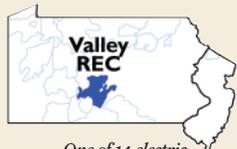


Valley Rural Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

Valley Rural Electric Cooperative, Inc.
10700 Fairgrounds Road
P.O. Box 477
Huntingdon, PA 16652-0477
814/643-2650
1-800-432-0680
www.valleyrec.com

BOARD OF DIRECTORS

James Stauffer
Chairman

Leroy Barnes
Vice Chairman

Kevin States
Secretary

Clair McCall
Treasurer

Robert Holmes
Allegheny Director

David Wright
PREA Director

Cindy Bigelow
Mervin Brumbaugh
Earl Parsons

CORPORATE OFFICE HOURS

Monday - Friday
7 a.m. - 5:30 p.m.

HUNTINGDON/MARTINSBURG/SHADE GAP OFFICE HOURS

Monday - Thursday
7 a.m. - 5:30 p.m.

FROM THE PRESIDENT & CEO

Weathering the 'perfect storm'



by Wayne Miller
President & CEO

OUR NATION'S electric utility industry is heading into a “perfect storm.” While the amount of electricity we use every day steadily increases, the capacity to generate and transmit that power is running short. In the past, fossil fuel-fired power plants were often the go-to option to meet growing new demand, but looming

federal regulations on carbon dioxide emissions are changing that. The cost of complying with new regulations could make electricity less affordable for everyone — which is of great concern to us here at Valley.

In December 2009, the U.S. Environmental Protection Agency (EPA) declared that six key greenhouse gases from auto emissions, including carbon dioxide, are “endangering the public health and welfare” of current and future generations. Four of those greenhouse gases (including carbon dioxide) emitted from motor vehicles are said to contribute to dangerous air pollution.

The endangerment finding puts a foot in the door for the EPA to issue sweeping new rules that could impose strict limits on carbon emissions, including those from power plants. The cost of generating electricity would go up, and, in the end, those costs would hit your pocketbook.

Congress is mulling over its own set of carbon dioxide regulations. If passed, congressional legislation would preempt any other existing laws, compounding a regulatory disaster that would create a mess of overlapping red

tape and add to the costs for you. So, we must continue to ask that any resulting legislation be fair, affordable and technologically achievable.

Whatever the political outcome, the honest truth is that change won't come overnight. Fossil fuels currently account for more than 70 percent of all electricity generated in the United States. New technology will be key to not only keeping these traditional options up to date but also to refining new ways to keep the lights on affordably.

Fortunately, Valley already gets nearly 60 percent of its energy needs from no-emissions nuclear power. And we get another roughly 8.5 percent from renewable, clean hydropower. That means we are in a great position to weather the impending regulatory storm. Even so, we don't plan to sit smugly on our hands. We are already supporting research projects that aim to expand the current limits of renewable energy, make coal- and natural gas-fired power plants cleaner and more efficient, and possibly even capture carbon dioxide from plant emissions before they go up a smokestack, storing them deep underground and keeping them out of the atmosphere.

Rural electric cooperatives have never backed down from a challenge in the past, and I have no doubt that our response to this challenge will be the same. But we need your help to relay to Congress just how important it is to keep climate change legislation fair, affordable and backed by achievable technology. To make your voice heard, join the Our Energy, Our Future grassroots awareness campaign at www.ourenergy.coop. 

SHORT CIRCUITS: Old wiring could be hazardous

ALTHOUGH MOST electrical systems in older homes have been upgraded over the years, safety shortcomings may still exist. Since a third of American homes were built more than 50 years ago, home buyers and those living in older homes should be aware of how wiring has changed during the last century.

Electric capacity is a major concern with older wiring systems. Homeowners in the 1930s didn't use a lot of electrical appliances, except for a refrigerator, a few lights and a radio.

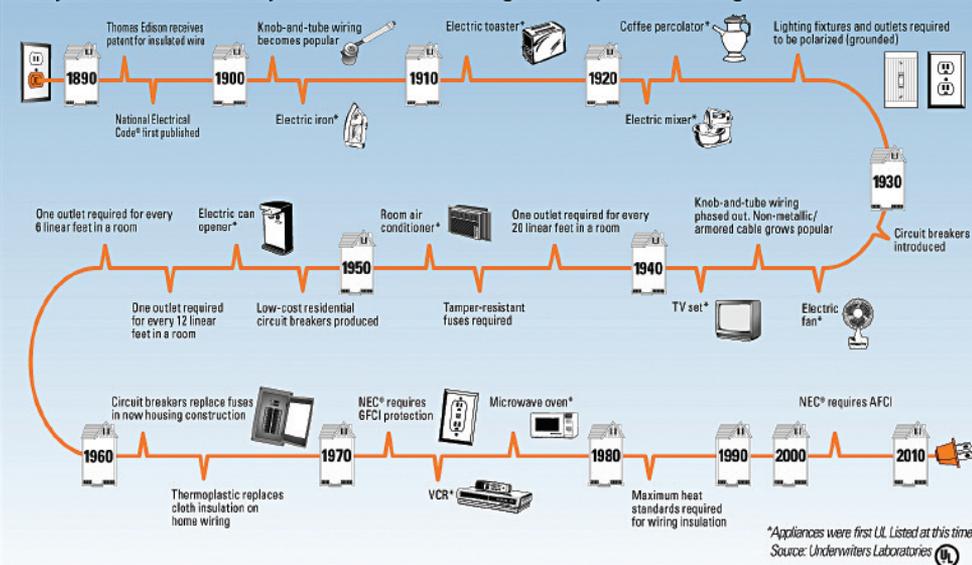
An explosion of appliance purchases occurred in the late 1940s and early 1950s. But the arrival of air conditioning during the 1960s soon rendered many mid-century home electrical systems obsolete. In addition, residences built more than 20 years ago might be insufficient for handling entertainment systems and personal computers.

Each year, household wiring and lighting cause an estimated average of 32,000 home fires. These fires result in about 950 injuries, 220 deaths and nearly \$674 million in property damage, according to the National Fire Protection Association.

"Residential electrical systems are seldom inspected after they are installed," explains John Drengenberg, consumer affairs manager for Underwriters Laboratories, Inc. (UL), an independent product safety testing and certification organization. "Homeowners should not assume all is well simply because fuses aren't blowing, circuit breakers aren't tripping, or they're not receiving shocks or smelling burnt plastic. Inside the walls, wire insulation could be cracking and crumbling, especially if wires are drawing more current than they were designed to handle. The wood frame above plaster ceilings could also become charred by lightbulbs that

A Not-So-Shocking History of Home Wiring

The evolution of residential wiring systems through the 20th century is changing with the appearance of electrical appliances. More appliances in the home have led to improvements in safety and an increase in the number of outlets per room. Many older homes have refurbished electrical systems, but the date that the system was installed may indicate the shortcomings of that particular wiring.



are too close to the ceiling or higher in wattage than the light fixture's rating."

To avoid such hazards, consumers should understand the limits of home wiring systems. Often, this depends on when a home was built. In other cases, though, telltale signs may indicate a problem.

"Any time you receive a shock from an electrical appliance, outlet or wall switch in your home, it's a warning that you should talk with a qualified electrician," John cautions. "If a fuse blows or a circuit breaker trips right after you replace or reset it, you have trouble somewhere. Flickering or dimming lights could mean loose connections, overloaded circuits, improper wiring or arcing and sparking inside walls."

In older homes, heat means that too much electrical current is being drawn through outlets.

"If your receptacles or plugs are hot to the touch, you may have an overload," John says.

Another issue associated with older home wiring systems is the number of receptacles in each room. Today's electrical code requires outlets be placed every 12 feet of running wall space, about one per wall in the average 10-by-12-foot room. Houses built before 1956 were only required to have outlets placed every 20 feet, while homes built before 1935 weren't required to have wall outlets at all.

"Relying on extension cords is not the answer," John points out. "Extension cords are meant for temporary use only and should not be a substitute for permanent wiring."

Proper grounding, meanwhile, prevents painful or even deadly electrical shocks when electricity flows through an improper path. Every home electrical system should have some type of grounding. Newer homes are wired with cables that include a ground wire. The ground wire allows for use of three-pronged receptacles needed to power certain appliances, particularly ones with metal shells, such as refrigerators and washing machines.

Many wiring systems installed in the 1950s and earlier used non-metallic wiring, which lacked a ground wire. Homes from this era boast only two-pronged outlets, unsuitable for many modern conveniences. Simply replacing two-pronged receptacles with three-pronged receptacles violates the National Electrical Safety Code if no ground path exists.

In some cases, older homes may feature newer wiring systems. But the era when the wiring was upgraded impacts electrical limitations. Before buying a home, have someone certified in electrical work inspect the system to be safe.

Information courtesy of the National Rural Electric Cooperative Association and Underwriters Laboratories, Inc.



WINTER WORK

Line personnel brave elements to keep plans on schedule

BY SUSAN R. PENNING
Director of Member Services

WHEN OLD MAN WINTER moves into rural Pennsylvania, most of us, in turn, move indoors, resigning ourselves to a few months of cabin fever.

But for co-op personnel who spend the bulk of their time working on power lines and substation equipment, the cold weather doesn't mean that projects get put on hold.

"During the colder months, when the construction season starts to slow, we shift our focus toward maintenance, upgrading and line re-building," says Randy Boonie, Huntingdon district manager.

In fact, the Huntingdon district just

finished relocating a three-phase line for a bridge replacement on Route 26 north of McAlevy's Fort.

"We're also rebuilding some lines in the area of Trough Creek," Randy adds.

The Shade Gap district is battling bitter cold and snowy conditions to rebuild lines and improve reliability in the Harrisonville Substation area of Fulton County.

"This is a major project for us that will carry us through the winter and beyond," explains Harry O'Donnell, Shade Gap district supervisor. "We're upgrading five miles of three-phase line, plus about 25-30 miles of taps that come off of those main feeders — basically everything from Route 30 to Clear Ridge."

At the Martinsburg district, crews have been busy on new construction jobs this winter, which is interesting considering current economic conditions.

"We've had three new residential projects take off since December," says Jason Hey, Martinsburg district staking engineer.

NO REST FOR THE WINTRY: Despite snowy conditions, (from left to right) Adam Atherton, Jeff Ruby and Richard Sunderland of the co-op's Huntingdon district set a pole for a new home in Ferguson Valley, Mifflin County.

In addition, Martinsburg line crews just finished a tie line project on Ridge Road near Williamsburg, Blair County. And they're also replacing outdated transformers and underground service equipment throughout the territory they serve.

Fortunately, crews from all districts have, so far, been able to stay on task without interruption from major outages caused by weather.

"We never know what Mother Nature will bring, but our aggressive right-of-way maintenance program has reduced a lot of the outages we used to get from downed trees on lines," Randy notes.

Of course, when outages do occur, all efforts turn to power restoration. ☀

Get off the payment roller coaster

Co-op's levelized billing program offers better budget control

BY SUSAN R. PENNING
Director of Member Services

A review of your annual electric bills may make you feel like you've boarded an amusement park ride. The bills go up in the winter heating months, then down in the spring. They may peak again during air-conditioning season, then trail off in the fall.

If a steady ride is more your speed, the co-op can help. The levelized billing program eliminates the major fluctuations so you can better estimate, and budget for, your utility expenses.

Here's how it works. Your current month's kilowatt-hour use is combined with that of the previous 11 months, taking into account your status (whether you have a debit or credit). This amount is then divided by 12 to obtain a monthly average. You are billed the levelized amount, while a running balance accounts for the difference between actual and levelized charges. The wide variance between seasonal bills is thus reduced.

Levelized billing is not the same as fixed budget billing, where you pay exactly the same amount each month



GET GROUNDED: The levelized billing program eliminates major fluctuations in monthly electric bills.

and then make up for any shortfall (or receive a credit for overpayment) at the end of the year.

Because of the ongoing monthly recalculations, levelized billing represents a true reflection of your electric use over the past year. As the 11-month period changes, so will your levelized bill. This means there is no need to reconcile differences at the end of the year.

The chart to the right is a snapshot of the yearly payment record of a co-op member on the levelized program who

uses an electric heating system. The second column displays the actual charges for each month; the third column shows the levelized charges that appear on the bills.

To qualify for the levelized billing program, it is not necessary to have a 12-month billing history on your account. Even new members are eligible. Consumers with electric heating and/or cooling systems benefit most from the program.

Switching your billing to the levelized system will help you avoid high electric bills during peak months. You'll be better prepared for each bill when it arrives, knowing it will vary from the previous one by only a few dollars.

So if you're ready to get off the payment roller coaster, contact the co-op's billing department at 814/643-2650 or email billing@valleyrec.com.

The levelized difference

Month	Actual	Levelized
January	\$152.16	\$124.84
February	199.77	124.76
March	243.73	135.50
April	139.52	141.98
May	137.12	143.19
June	68.97	142.56
July	56.01	137.16
August	57.67	130.96
September	49.78	124.41
October	50.69	118.46
November	79.28	113.53
December	102.63	109.93

YOU WON'T WANT TO MISS THIS.

PLUS
\$15 bill credits,
"green" tote bags and
energy-saving shower
heads for all registered
members who attend!

▶▶ Valley Rural Electric Cooperative Annual Meeting

**April 16 - 7 p.m.
Mount Union Area High School**

Featuring:

- Entertainment by a cappella quartet New Found Sound
- Elections - Districts 7, 8 & 9
- Disney movie for the kids
- Door prizes - Two \$250 co-op gift certificates

More details coming soon!