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Community News



A challenging New Year awaits

By Eric Winslow
President and CEO

With a new year nearly at hand, many of us are already looking forward to 2007 and the challenges and opportunities it will bring.

Given today's energy market and economic climate, it is the challenges of the

coming year that will be the focus of much of our attention here at Citizens' Electric come Jan. 1.

With our current wholesale power supply contract set to expire at the end of next year, we are working diligently to secure a reliable generation contract at the best pricing possible for our customers. As those who heat their homes with oil, natural gas or propane are well aware, energy prices have risen dramatically since 2003, when we locked in our current power contract. Because of the upward spiral in energy costs, we fully expect our generation cost will be going up in 2008. And that will mean the generation component of your electric bill will be increasing too, since this is a straight pass-through charge to the consumer.

Once year-end financial results for 2006 are completed, we will also be evaluating the need for an adjustment to our distribution rate, another component of your electric bill. The distribution charge covers our cost to operate and maintain the local electric distribution system.

Despite rising fuel prices, escalating construction and equipment expenses, and skyrocketing health insurance premiums, our distribution rate has not increased since 1990. Going 16 years without an increase is an achievement in which we at Citizens' Electric take a great deal of pride. Unfortunately, with expenses rising and energy sales declining due to

reductions in our commercial and industrial load, it's clear that there eventually will be a need to increase the distribution rate.

Will 2007 be the year? I can't say with certainty at this point. But I do know that with each passing year, we get closer and closer to requiring a distribution rate increase. So far, we've been able to counter increased operating expenses by instituting procedural changes and cost-cutting measures, implementing advanced equipment and technologies, and by realizing economies-of-scale savings through our affiliation with C&T Enterprises. In the past, we had also been aided by healthy growth in the Lewisburg area, which translated into increased volumes of electric sales. But growth has been flat to negative in recent years, and we suspect that trend may continue.

Despite paring costs and maintaining an expanding distribution system, we continue to provide a level of electric service reliability that is unmatched in Pennsylvania. Citizens' Electric has been meeting and exceeding the reliability benchmarks mandated by the state Public Utility Commission. And our benchmarks, which are based on each utility's reliability history, are the most stringent in the state.

We have been able to achieve such a high degree of reliability because we place a strong emphasis on system maintenance. We have an award-winning vegetation management program in place. We patrol our electric lines regularly, inspect our substations monthly, and conduct annual inspections of our utility poles and major equipment.

As we prepare for the challenges ahead, we want you to know that we are committed to continue providing you with the most reliable electric service possible at a reasonable and competitive price. That's our New Year's resolution every year.

Best wishes for a joyous holiday season.

Theft of service hurts all customers

Citizens' Electric will be developing a revenue protection plan aimed at minimizing theft of electric service, as well as recovering revenue from those found guilty of stealing electricity.

Employees recently attended a workshop to enhance awareness of issues related to theft of service. Among topics covered were:

- Methods dishonest customers use to steal electric service from utilities.
- Action required by the utility in court to prove incidents of theft of service
- Means of recovering revenue lost in theft-of-service cases.

"Theft of service hurts honest ratepayers and the company," said Citizens' Electric President and CEO Eric Winslow. "Putting a revenue protection and recovery plan in place will help ensure that our honest customers aren't subsidizing those who have chosen to steal from us."

Citizens' Electric's recently deployed automated meter reading system has enhanced capabilities that can help detect theft of service. Customers are also encouraged to anonymously report suspected cases of theft of electric service to the Lewisburg office.

Proposed personnel changes rescinded

C&T Enterprises, owner of Citizens' Electric Co., fell just short in its bid to acquire Corning Natural Gas.

The proposed merger required approval by 66.7 percent of the stockholders of the New York state utility. Officials results revealed that 64.8 percent of the Corning Gas common stock were voted in favor of the merger.

As a result, previously announced personnel changes involving Citizens' Electric's management team have been rescinded.

Frequent blinking? Give us a call

Most electric customers occasionally experience blinks — a brief power interruption that causes your digital alarm clocks and clocks on other sensitive electronic devices to flash "12:00" until they are reset.



You may find them an inconvenience, but an occasional power blink indicates that one of the safety devices we have installed to protect consumer and utility equipment has done its job.

The device, called a circuit recloser, acts like a self-resetting circuit breaker. It "opens" and interrupts power for a moment when an electrical short circuit caused by a tree branch, small animal or weather-related problem occurs on the section of line it protects. The recloser waits a short time and automatically recloses, returning power to the line.

If the cause of the short circuit was only a temporary fault or was cleared during the first operation, the recloser remains closed and power flow resumes to your home. If the problem persists, the recloser remains open to prevent property damage or personal injury until the problem can be investigated. Automatic reclosers are essential to the safe delivery of electricity and in many instances help prevent prolonged power outages.

It is impossible to eliminate blinks entirely, since they are often caused by animals, acts of nature or automobile accidents.

To minimize the frequency of blinks, we have in place an aggressive right-of-way maintenance program aimed at reducing tree contact with our lines. We have installed guards to protect our facilities against bird and animal contact. We have also purchased distribution monitoring equipment that allows us to isolate blink-prone areas and pinpoint trouble spots.

While we expect momentary power interruptions to occur occasionally, we don't expect anyone to consider excessive blinks normal. If you experience frequent blinks, please contact us so we can monitor the lines in your area to determine the source of the problem and correct it.

Let budget billing even out payments

You can avoid month-to-month fluctuations in your electric bill by participating in Citizens' Electric's budget billing plan.

Budget billing allows you to level out your monthly payments throughout the year, eliminating seasonal spikes as well as billing fluctuation caused by changes in your electric use.

The plan is entirely voluntary and available to all customers on our residential rate schedule.

There is no cost to participate in the plan, nor are there any savings. It is simply a convenience that levels out your monthly electric bill throughout the year. Your payment amount is calculated based on the average of your electric bills for the previous 12 months.

If you are interested in setting up a budget billing plan for your account or to learn more about how the plan works, stop in our office or give us a call at (570) 524-2231.

Tired of Writing Checks? Try Easy Pay

Sign up for our Easy Pay program, and your Citizens' Electric bill will be automatically deducted from your checking or savings account each month. Call our office or stop by learn more about becoming an Easy Pay customer.