



Otsego Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



THE OEC CURRENT

People You Can Count On

www.otsegoec.coop

May 2010

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CEO

Board of Directors
Gary Potter
President

Charles Arnold
Vice President

Wendell Saunders
Treasurer

Steve Child
Secretary

Roger Erway
Director

Fred Braun, Jr.
Director

Edward Clarke
Director

Kathleen Del Plato
Director

Electric Water Heater
Switches Installed:

669

April Savings: \$1,980

Total 2010 Savings:

\$7,467

Office Hours

7:30am –
4:30pm

Monday – Friday
Phone:

607-293-6622

After
Hours/Outages:
1-866-591-3192

Beware of ID Theft

It has come to our attention that a few Otsego Electric Cooperative members have received calls from people claiming to represent Otsego Electric Cooperative (OEC).

OEC has not authorized any so called “energy service companies” to contact our members on our behalf. We recommend that if you receive a call from someone you don’t know, you should not give them your personal information over the phone.

If you are suspicious about a call, simply end the call and notify our office at 607-293-6622. Avoid fraud—don’t give out personal information over the phone.

OEC has only authorized our load control switch contractor to contact our members. If you have any questions concerning OEC’s load control program call our office at 607-293-6622.

Somewhere in the body of this newsletter there is a service map location number, your map location number is located on your bill. If you find your map location number in this newsletter call the office within 15 days and your account will be credited \$25.

Plan Ahead When Planting Trees



Don't plant trees under power lines.

Power lines and trees don’t mix, the primary cause of outages are trees coming in contact with power lines. It’s sometimes easy to overlook power lines since they often run along roads, property lines or near trees. However, power lines can pose serious electrical hazards if completely forgotten.

When planting trees do not plant under power lines or within the 30 foot cooperative right-of-way. This will prevent the need for the cooperative to come back and cut or trim trees away from the lines.

You can help stop potential power line problems before they start by practicing these safety measures:

- If you notice anything such as trees or branches that might interfere with power lines or pose a serious threat, inform your local electric co-op.
- If you are planning to plant trees on your property, make sure not to plant them directly under or near power lines.
- Shrubs, hedges and other plants should be kept clear of electric poles.



Plant trees away from power lines

MARK YOUR CALENDAR Otsego Electric Cooperatives 66th Annual Meeting will be held August 18th at the Milford Central School. There will be more information in upcoming newsletters.



The Co-op office will be closed Monday, May 31st for Memorial Day.

Have a safe and enjoyable Memorial Day weekend.



BRINGING VALUE AND COMFORT TO ENHANCE OUR MEMBER’S QUALITY OF LIFE!

The following letter ran in last months newsletter:

Dear Member,

In keeping with our mission to provide our member/owners with safe, reliable and affordable service the Board of Directors continually reviews financial requirements, operations, maintenance and construction programs to ensure your cooperative remains strong and stable.

We have accelerated the maintenance of our rights-of-way during the past several years. Programs have been added to reduce outages and minimize operational and maintenance issues. During the winter storms, with heavy snow and high winds, these efforts drastically reduced our outages and improved restoration time. This has enabled our member/owners to have safer and more reliable power.

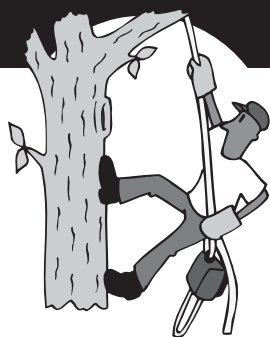
Our construction program to relocate lines and replace aging infrastructure is another critical piece in providing safe and reliable power. These programs needed to be accelerated to ensure the poles and conductor would be upgraded before the useful life of the equipment expires. In several years, we have relocated and/or upgraded nearly 10 miles of line from some of the most troubled areas out to the road right-of-way. This has also enabled our member/owners to have safer and more reliable power.

The Board of Directors and CEO continually monitor the financial condition using historical, current and projected data. Our financial partners are also monitoring the financial condition. Due to pressures from increasing costs and flat revenues in 2009, we did not meet the financial requirements of one of our lenders. Our projections indicate that we will not meet these requirements in 2010 without additional revenue. If we do not meet our lender's requirements they could intervene in our operations, which would not necessarily be in our best interest.

In managing expenses we have been able to control and cut our expenses in a variety of ways. Employees have been reduced from 21 full-time to 19 full-time and 2 seasonal. We have also addressed health insurance and liability insurance that saved considerable expense. On a smaller scale, expenses have been cut with the passage of the by-law amendments during last year's annual meeting, the Board through attrition has been reduced from nine members to eight. Many expenses have been controlled or cut; however, many of our expenses continue to rise. Even with all of our efforts we have only been able to delay additional revenue requirements. Member/Consumer growth drives kWh sales which in turn drives revenue and without adequate growth our revenues are not keeping pace with expenses. As was reported in last month's newsletter—new services, which generate new revenue—have been in decline the last few years.

The Board of Directors has reviewed all available options and after taking additional cost cutting action arrived at the conclusion that there is no alternative to raising rates to stabilize the financial issues facing the cooperative. Therefore, the Board of Directors voted to increase the rates. The new rates will be in effect on the bill you will receive in July, 2010. This will ensure the Cooperative's ability to meet all of the projected operational and financial goals, now and into the future.

The rate changes for your July 2010 monthly bill are shown on the following page.



OEC Line Clearing

16-19-66-04-MO

OEC brush crews will be working in the Town of Exeter and Town of Otsego in May and July. Crews will be clearing trees and brush away from OEC power lines as part of routine right-of-way maintenance.

Crews will also be operating tree trimming equipment in the Edmeston area through June.

In the last three years our crews have trimmed approximately 302 miles of lines.

July 2010 Rates

Residential

	Old Rate	New Rate
Customer Charge	\$11.00 (late \$11.17)	\$20.00 (late \$20.30)
All kWh, per kWh Charge	\$.08728 (late \$.08859)	\$.08728 (late \$.08859)
Right-of-Way Improvement Rider	\$1.83	No Charge

Small Commercial

	Old Rate	New Rate
Customer Charge	\$12.00 (late \$12.18)	\$25.00 (Late \$25.38)
All kWh, per kWh Charge .087209)	\$.08592 (late \$.087209)	\$.08592 (late
Right-of-Way Improvement Rider	\$1.83	No Charge

Single Phase in Excess of 25 kVa

	Old Rate	New Rate
Demand Charge	\$6.50 (late \$6.60)	\$7.00 (Late \$7.11)
Energy Charge		
All kWh, per kWh Charge	\$.064640 (late \$.065610)	\$.07(late \$.07105)
Right-of-Way Improvement Rider	\$1.83	No Charge

Three Phase or Multi-Phase Accounts

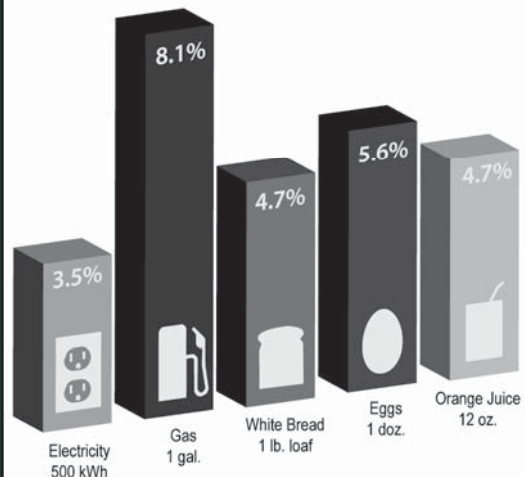
	Old Rate	New Rate
Demand Charge	\$6.50 (late \$6.60)	\$7.00 (Late \$7.11)
Energy Charge		
All kWh, per kWh Charge	\$.075320 (late \$.0764498)	\$.081(late \$.0822)
Right-of-Way Improvement Rider	\$1.83	No Charge

*PPA Charges apply to all rates

Electricity Remains a Good Value

Electricity continues to be a bargain, especially when compared to other consumer goods. As demand for energy rises and fuel prices increase, your electric cooperative is committed to providing safe electricity at the lowest possible cost.

Average annual price increase over the past decade:



Sources: U.S. Bureau of Labor Statistics; NRECA

NYPA PV Solar Incentives Program

As of April 15, 2010 four New York Power Authority (NYPA) Solar PV Incentive site specific grant requests were submitted for solar projects. All four projects were recently approved. We will be providing updates as these projects move forward.



OEC Line Relocations

OEC line crews will be doing line relocations in the next few months at several locations around the county. The following areas are where line relocations we be taking place:

Wing Hill Road in the Town of Exeter

County Route 26, Smith Cross Road, and Tanner Hill Road in the Town of Otsego.

County Hwy 33 in the Town of Middlefield.



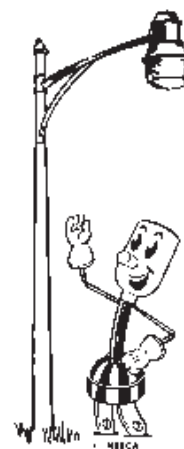
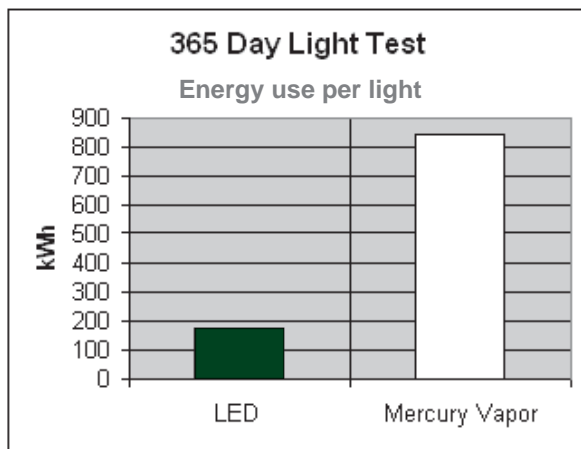
Call the Co-op office at 607-293-6622 for info about the \$2 monthly credit for being in the **Load Switch Energy Saver Program.**

LED Area Lighting

In the past year OEC has tested several dusk-to-dawn area lights (security lights). Since mercury vapor lights are no longer available to us, we have been looking for a suitable replacement light. The lamp that we found that was the most efficient—in terms of kWh used—was the Evluma LED luminaire. The LED light we tested used 173.300 kWh over a 365 day period. The old style mercury vapor lights that OEC has been using took 844.500 kWh to operate during the same 365 day test period.

After looking at the energy savings, along with several other factors, a decision was made to change OEC's existing mercury vapor area lighting to more energy efficient LED lighting.

In the next several months we will be converting many of our existing mercury vapor area lights to LED replacements.



Disconnect Policy For Non-Payment

We have recently received a few questions concerning our disconnect notice and disconnect policy for electric accounts. The following explanations should answer many of the questions we have received:

- Payment of the electric bill is due upon receipt.
- A late fee is added after the “Amount Due After” date which is printed near the bottom, right side of your bill (written in green).
- To avoid having a disconnect notice mailed we must receive payment in our office by the date printed in the green area (**Amount Due After**); this date is 23 days from the mailing of the bill. A disconnect notice will state the date a payment must be made in order to avoid disconnection, a member has 15 days from the mailing date on the notice to make the payment. Disconnection takes place **38** days after the mailing of the monthly bill.
- We follow the rules and regulations of the New York Power Authority.
- Otsego Electric Cooperative offers an Automatic Bill Payment option which is an easy way to pay your electric bill. You save the inconvenience of forgetting to pay your electric bill. If you are interested in finding out more about **Automatic Bill Payment** or budget billing call our office at 607-293-6622.

Reconnect Service—\$100 + tax

Overtime/After Hours Reconnect—\$400 + tax

Sunday/Holiday—\$600 + tax