



Otsego Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



THE OEC CURRENT

People You Can Count On

www.otsegoec.coop

April 2010

Stephen Rinell
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: 643

March Savings:
\$1,864

Total 2010 Savings:
\$5,487

Office Hours

7:30am –
4:30pm

Monday – Friday

Phone:

607-293-6622

After

Hours/Outages:

1-866-591-3192

Service Fee/Rate Adjustment In July

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.

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

How to Clean Up a Broken Compact Fluorescent Lightbulb (CFL)



1 Ventilate the room.



2 Scoop up powder and glass fragments using stiff paper or cardboard. Seal in a plastic bag.



3 Use duct tape to pick up any fragments or powder.

4 Immediately place all materials used to clean up and the plastic bag in an outdoor trash container. Remember to wash your hands.



5 Discard any clothing or bedding that comes in direct contact with broken glass or powder from inside the bulb. Washing tainted items may cause mercury fragments in clothing to contaminate the machine and/or pollute sewage.

To learn more about CFLs and why you should be careful when cleaning up a broken bulb, visit www.epa.gov.



Source: Electrical Safety Foundation Institute, YASLY



July 2010 Monthly Rate Changes

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	\$.08592 (late \$.087209)	\$.08592 (late \$.087209)
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

Time Of Use Rate

(Pilot Program)

	Old Rate	New Rate
Customer Charge	\$25.00 (late \$25.38)	\$34.00 (late \$34.51)
All kWh, per kWh Charge		
Winter Rates		
October-April	A-11PM-5AM \$.03 (late \$.03045)	\$.03 (late \$.03045)
	B-5AM-11PM \$.06 (late \$.0609)	\$.06 (late \$.0609)
	C-11AM-5PM \$.03 (late \$.03045)	\$.03 (late \$.03045)
	D-5PM-11PM \$.09 (late \$.09135)	\$.09 (late \$.09135)
Summer Rates		
May-September	A-11PM-5AM \$.03 (late \$.03045)	\$.03 (late \$.03045)
	B-5AM-11PM \$.06 (late \$.0609)	\$.06 (late \$.06045)
	C-11AM-5PM \$.09 (late \$.09135)	\$.09 (late \$.09135)
	D-5PM-11PM \$.09 (late \$.09135)	\$.03 (late \$.09135)
Right-of-Way Improvement Rider	\$1.83	No Charge

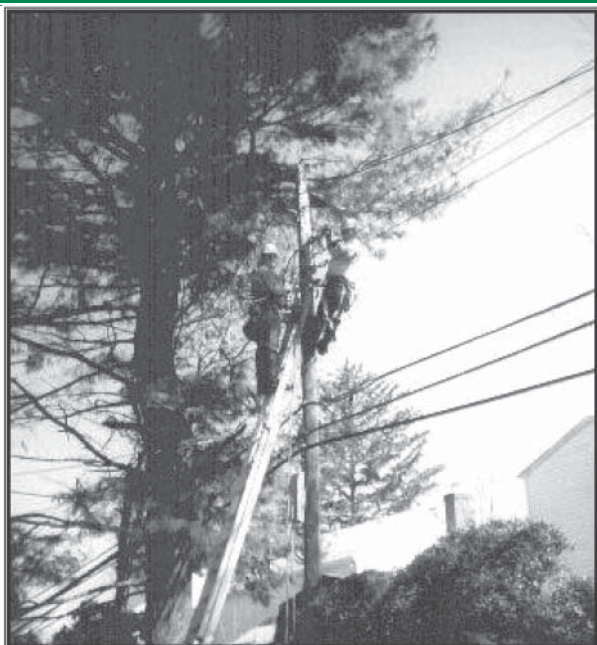
*PPA Charges apply to all rates



Did you know? Hydropower is currently the largest and least expensive source of renewable electricity produced in the United States. Large and small-scale hydropower projects are most commonly used by clean-power generators to produce electricity. Most of the energy purchased by Otsego Electric Cooperative is hydropower.

16-25-02-02-LA

OEC Crews Lend A Hand



OEC Linemen Steve Sickler and Tom Fish restore power in Rockville Centre

In the last several months Otsego Electric Cooperative line crews have been busy helping other electric cooperatives and municipalities restore power caused by storm damage. OEC crews were able to assist because Otsego Electric Cooperative had no large-scale outages during these times.

During the last week of February OEC sent four linemen, Tom Fish, Kevin Rottingen, Steve Sickler, and Lee Rumovicz to New Hampshire. Our crews assisted New Hampshire Electric Cooperative in recovering from damage caused by a snow storm.

On March 14th Otsego Electric Cooperative sent the same four linemen to Rockville Centre, NY to assist their crews in restoring power. On March 13, Rockville Centre was hit by hurricane-force winds which uprooted between 400-500 trees in, and around, Rockville Centre. Approximately 800 of their electric customers were out of power.

Otsego Electric Cooperative is reimbursed for assisting other utilities in mutual aid emergencies.

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.

Marathon®

WATER HEATERS

Call 607-293-6622 for more information about energy efficient **Marathon** water heaters.



Energy Efficiency - Tip of the Month

Properly hooking up your clothes dryer can help save on energy costs. The outdoor dryer exhaust door should close when the dryer is off. Check to make sure the dryer vent hose is tightly connected to the dryer and also to the inside wall fitting. The vent hose should not be kinked or clogged.

Source: Touchstone Energy® Cooperatives



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.** ←

What are some ways I can manage my bill? Otsego Electric Cooperative offers a number of options to help you manage your power bill. Some of those services include automatic payment options and budget billing. If you are interested in learning more about these services call OEC at 607-293-6622.

Pay your bills automatically – without writing a check



It's a convenient, easy way to pay your electric bill – without writing a check. You save the cost of a check, postage, inconvenience, and the possibility of forgetting to pay. Join today!

Using Otsego Electric Cooperative's automatic bill payment system is simple, all you have to do is sign up. You can choose to have your payment made with a bank draft from your checking or savings account.

How do I sign up for automatic bill payment?

Fill out the form below and mail it back to Otsego Electric Cooperative, PO Box 128, Hartwick, NY 13348. If you choose the bank draft payment from your checking account, **you must enclose a voided check**. If you choose a bank draft payment from your savings account, please enclose a deposit slip (make sure your deposit slip has the bank's routing number and your account number on it).

Otsego Electric Cooperative does not charge its customers for automatic bill payment. It is best to ask your financial institution if they have a charge. If they do, it is usually less than a paper check charge. Contact our office at 607-293-6622 if you have any questions.



Authorization for Automatic Bill Payment

Cut and return with your bill.

Please complete and return this form with your bill if you would like to sign up for Automatic Bill Payment.

Attach a voided check if you are choosing bank draft payment from a checking account.

Attach a deposit slip containing the required routing and account number information if you are choosing a bank draft from a savings account.

Member Information

Name: _____

(as shown on bill)

Address: _____ City: _____

State: _____ Zip Code: _____ Phone: _____

Otsego Electric Cooperative Account Number(s): _____

OECBlue account & Email address: _____

Bank Information

I authorize Otsego Electric Cooperative to instruct my financial institution to make my payment from the account listed on or about the 27th of every month for the purpose of paying my electric bill. I understand that I will receive a copy of my Co-op bill statement each month as a reference. I will contact the Co-op directly concerning billing disputes. I understand the ACH process will not become effective until noted on my bill statement. This authorization will remain in effect until I notify Otsego Electric Cooperative, in writing, to cancel.

Signature: _____

Signature: _____ Date: _____

(both must sign if joint bank account)