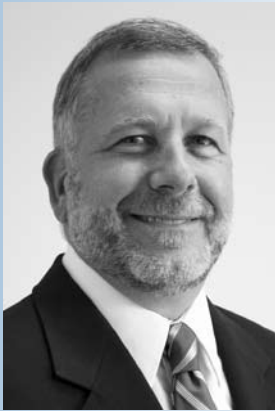



CITIZENS'
Electric
COMPANY

1775 Industrial Blvd. * Lewisburg, PA 17837 * (570) 524-2231

Community News

Springing forward with lower electric rates



By Eric Winslow
President and CEO

With all of the unsettling news we've been hearing about the economy in recent months, I'm happy to be able to deliver a bit of good news to our customers: Our generation rate has decreased for the second consecutive quarter.

Citizens' Electric's generation rate dropped by nearly 9 percent, from 9.6705 cents per kilowatt-hour (kWh) to 8.8099 cents per kWh, for the second quarter of 2009. The new rate will be reflected on all bills rendered between April 1 and June 30, and it will amount to a \$4.30 reduction in the overall monthly bill of a residential customer using 500 kWh of electricity.

Since December, our generation rate has gone down by approximately 13 percent, primarily due to a reduction in the market price for wholesale electricity.

Our customers have also been helping to take control of their energy costs by changing their consumption habits. Through conservation and efficiency measures, customers have been able to help themselves to lower electric bills. We encourage Citizens' Electric customers to continue looking for ways to shave their electric use, which not only saves them money, but also reduces the overall demand for power.

At this writing, wholesale generation prices remain lower than market prices a year ago, and we are taking advantage of the current market by actively procuring power contracts for the third and fourth quarters. I would like to point out, however, that we have not secured all of the

contracts necessary for the remainder of the year. It's also important to note that the banking industry collapse has a direct impact on the integrity of the electricity markets, and this ultimately will be reflected in our rates.

We expect to take further advantage of the current energy market when filing our new generation plan with the Pennsylvania Public Utility Commission. We would like to be able to include optional provisions in the new plan that will allow us to secure longer term generation contracts for our power supply portfolio.

Under terms of our existing plan, which went into effect last year and expires June 1, 2010, we are not permitted to procure a generation contract that extends beyond a 1-year period. We are optimistic that the new plan will include optional, multi-year power supply contracts in order to provide our customers with more rate stability in 2010 and beyond.

We do have some concerns about the impact of federal carbon legislation on future generation rates. Our regional electric transmission grid operator recently conducted a study to determine the potential impact climate change policies could have on the PJM energy market. The study estimated that clean air legislation could increase consumers' electric bills by as much as 4.5 cents per kilowatt-hour. That would be a substantial increase, raising the electric bill of our average residential customer by about \$40 a month and our typical residential heat customer by about \$140 a month.

With new energy and climate change policies being debated in Congress, I encourage you to ask your legislators to remember your needs for affordable electricity when considering changes to public energy policy.

Best wishes for a safe and happy spring.

Explore your options with eBill

With eBill, Citizens' Electric's internet bill presentation and payment program, you can access your account information and pay your electric bill from the comfort of your home.

eBill gives you the ability to:

- Pay your electric bill using your checking account, MasterCard, Visa, or Discover Card*
- View your current bill
- View your billing history
- Update your account information

To explore the features of eBill, visit the Citizens' Electric website at www.citizenselectric.com, and click on "Payment Options," followed by "eBill." You will be prompted to register using your account number and a personalized password. Once registered, you will be able to view your account information and may choose to pay your electric bill online.

eBill offers you more choices and control over how and when you pay your bill. For more information about eBill, contact the Lewisburg office at 570-524-2231.

* A convenience fee applies.

Call 8-1-1 before you dig

Planning excavation work? Get your project off to a safe start by calling 8-1-1 before you dig.



8-1-1 is the abbreviated national telephone number homeowners and professional excavators can call to contact their state's One Call center.

State law requires anyone doing excavation work of any kind to notify the Pennsylvania One Call System three days before digging.

Citizens' website gets a makeover

If you are looking for useful information from your electric provider — from energy-saving tips to electrical safety — please spend a few minutes exploring Citizens' Electric's new and improved website at www.citizenselectric.com.

The redesigned site not only sports a fresher look, it features a wealth of new content.

For customers looking to save on their energy bills, we have added a practical new tool called the HomeEnergySuite. The suite contains a library of energy conservation and efficiency information and tips, but its centerpiece is an easy-to-use, interactive home energy calculator, which evaluates your home's energy use based on inputs you provide. It also recommends ways to reduce your energy expenditures.

In addition to the home energy calculator, the suite features energy calculators for appliances, lighting, space heaters and televisions, as well as an interactive house, in which you can click on various components within a virtual home to gain a better understanding of where and how energy is used, as well as suggestions and tips for using energy wisely.

Other additions to the redesigned website include links to:

- ◆ eBill, Citizens' Electric's new online bill presentation and payment program
- ◆ A history of Citizens' Electric Co., and the boulevard lights of Lewisburg
- ◆ Tariff and rate information
- ◆ Downloadable applications for new services and forms for programs such as Easy Pay.

Tree pruning, pole inspections to begin

Citizens' Electric will be resuming its annual pole-inspection and tree-trimming programs this month.

Osrose Utility Services has been contracted to inspect and treat Citizens' Electric utility poles, and will primarily be working south of Lewisburg, along Route 15, Furnace Road and surrounding areas.

Poles deemed to be structurally sound will be treated with an environmentally friendly wood preservative by the contractor. The treatment is a cost-effective way to extend the useful service life of utility poles.

Citizens' has also contracted with Asplundh Tree Experts to carry out our system-wide vegetation management program.

This work focuses on pruning trees within our rights-of-way that have the potential to come into contact with electric lines. Tree trimming is an effective way to increase public safety and reliability.

Employees working for the right-of-way and pole-inspection contractors will carry identification cards and operate out of vehicles clearly marked with company logos. Company representatives will attempt to contact property owners before beginning work on private property.

Please verify your contact info

Please be sure to verify that the telephone number and address that appear on your electric bill are correct.

If either is incorrect or missing from the bill, please call the office or send us an e-mail so that we can update our records.

Citizens' Electric uses your phone number when dispatching outages, and to notify customers about planned outages, so it is important for us to have your correct number on file.