



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

## Community News

# Preparing for the challenges of a new energy era

By Eric Winslow  
President and CEO

It seems like everyone is talking about the high price of energy these days.

The escalating cost of petroleum products has all of us feeling the pinch at the gas pumps.

And those who heat their homes or businesses with fuel oil, propane or natural gas must be relieved the heating season is winding down.

Citizens' Electric customers have thus far been spared from the sharp rise in energy prices. Our rates, which are among the lowest in the state, have remained virtually unchanged since 2001.

Our generation wholesale rate — the price at which we purchase electricity from our supplier — is locked in through the end of 2007. That means the generation charge on your electric bill will remain stable for the next 18 months.

If you've been following the news, you know that a number of electric utilities throughout Pennsylvania and neighboring states have filed for or received generation rate increases — some substantial — in recent months. The rise in generation costs is due primarily to a sharp increase in the price of natural gas, which fuels many of the nation's newer generating plants.

This summer, we will begin the



process of securing a new generation supply contract, which will take effect in January 2008. Considering the recent jump in generation costs, we know we have a monumental challenge before us. We also know that when 2008 arrives, you are likely to see a higher generation charge on your electric bill.

In the meantime, we will be exploring all avenues to secure reliable generation at the best pricing possible for our customers. We have been closely monitoring forward prices and seasonal price fluctuations of the energy market. Our goal is to lock in a 3- to 5-year wholesale power supply contract when market conditions are optimal.

We will also be evaluating the effectiveness of combining our load with that of our sister company, Wellsboro Electric Co., and possibly other electric utilities when requesting proposals for a new generation contract early next year.

Under the state's Customer Choice law, local distribution utilities like Citizens' Electric Co. have been designated as Providers of Last Resort. State regulators had envisioned the Provider of Last Resort serving as a safety net for customers unable or unwilling to purchase electric generation from a competitive energy supplier. As many of you are aware, the competitive market never really developed in our area.

Since there are no other suppliers in our territory, we feel an obligation to our customers and the community to find the lowest cost generation available. I assure you we will be de-

voting a great deal of time and energy over the next year working toward that goal.

The other main component of your electric bill, the distribution rate, may also be impacted by the higher cost of doing business today. The distribution rate, which covers the cost to operate and maintain our local electric system, has not gone up since 1990, thanks to growth in the Lewisburg area, utilization of better equipment and technology, and the economies of scale we have achieved through our affiliation with C&T Enterprises.

Due to local economic changes, however, our sale of electricity declined in the past year. At the same time, our costs to buy materials to build and maintain power lines, fuel for our fleet and health insurance for our employees have risen dramatically. The combination of these factors may necessitate a distribution rate increase in the future.

Citizens' Electric's economic contribution to the local community has always been to provide customers with the lowest rates possible. By doing so, our businesses and industries can remain competitive, and that means more employment, more prosperity and more economic opportunities for our area.

We remain committed to that concept. That's why you can count on us to search for ways to keep our rates as low as possible, while continuing to provide you with a reliable flow of power and the top-notch service you have come to expect from Citizens' Electric Company.

## Call Before Digging

With the arrival of warm weather, many area residents will be starting outdoor construction projects and landscaping work that requires excavation or digging.

Please be advised that Citizens' Electric Company and other area utilities may have lines buried underground – possibly in a spot where you intend to dig.

That's why the PA One Call System is so important. Not only can digging by an uninformed homeowner or contractor damage utility lines, it can be extremely dangerous.

By calling PA One Call's toll-free number at least three working days before you plan to begin any project involving excavation, you and your contractors will know exactly what lies beneath the surface – safeguarding everyone involved.

Get your project off to a safe start. Before you dig, call or have your contractor call the PA One Call System at 1-800-242-1776.

---

**Call Three Working Days Before You Dig  
PA One Call System  
1-800-242-1776  
[www.paonecall.org](http://www.paonecall.org)**

---

## Light up the night

For less than \$9 a month, you can provide night-time safety around your home or business through our pole-light program.

In most instances, Citizens' Electric will install a pole light on your property with no installation fee. We will also take care of maintaining the light at no cost, including changing the bulb. For details about our pole light program, please call the office at 570-524-2231.

# Avoid danger from above

With the return of warmer weather and longer days, many Citizens' Electric customers will be tending to outdoor projects around the home.

If those projects involve the use of a ladder, scaffolding or power equipment with a boom, it's important to remember to be extremely cautious when working in the vicinity of overhead electric lines.

Overhead power lines may be coated for weather protection, but they are not insulated. Contacting electric lines with your body, tools or machinery can be fatal. In fact, over half of all fatal electrical accidents each year are caused by contact with overhead lines.

Anytime you are working overhead outdoors, be sure to carefully check the location for overhead wires. If you are operating equipment such as a backhoe, dump truck, crane, loader or farm machinery in the vicinity of a power line, you should maintain a minimum of 10 feet of clearance between the equipment and any overhead lines. Higher voltage lines require greater clearance.

It is important to be extra careful when using a ladder in the area where an electric line connects to the house. Any power line can permit electricity to flow into a piece of metal or other object, such as a wet tree branch, that touches it. Homeowners and contractors using aluminum ladders or scaffolding should always maintain at least 10-feet of clearance with electric lines.

## Tree pruning, pole inspections to begin

Citizens' Electric will be resuming its annual pole-inspection and tree-trimming programs in coming weeks.

Osmose has been contracted to inspect and treat approximately 500 Citizens' Electric utility poles this summer. Osmose crews will be working primarily in the Mazeppa area.

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 life of utility poles.

Citizens' is also preparing for its spring vegetation management

program.

This work focuses on pruning trees that have the potential to come into contact with electric lines, causing power interruptions.

Asplundh Tree Experts has been awarded the contract for the right-of-way maintenance work. Asplundh crews will begin tree-trimming activities later this month.

Asplundh and Osmose employees will carry identification cards and operate out of vehicles clearly marked with their company's logo.

Representatives of the companies will attempt to contact property owners before beginning work on their properties.

## Tired of Writing Checks? Try Easy Pay

Sign up for our Easy Pay program, and your Citizens' Electric bill will be deducted from your checking or savings account each month.

By participating, you can avoid the hassle of searching for stamps, writing checks and worrying about whether your payment arrives on time.

Call our office or stop by to become an Easy Pay customer. You may also sign up for our automatic bill payment program through our Web site. Visit us at [www.citizenselectric.com](http://www.citizenselectric.com)