

Northwestern
Rural Electric
Cooperative
Association, Inc.

Your Touchstone Energy® Cooperative 



One of 14 electric
cooperatives serving
Pennsylvania and
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Northwestern REC
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Cambridge Springs, PA 16403
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OFFICE HOURS

Monday through Friday
7 a.m. - 3:30 p.m.

Mary Mulligan-Haines, Editor

FROM THE MANAGER & CEO

Good news on rates – no changes planned for 2010



by Michael D. Tirpak
General Manager & CEO


THE STAFF and I are putting the final touches to the work plans and budget for 2010 for presentation to the board of directors, and the good news is that there will be no change to retail rates in 2010. This stability is due to the rate adjustments over the past couple of years and our cost containment programs. Rate changes in 2008 and 2009 helped keep our co-op

financially viable, despite a reduction in energy sales as a result of the mild summer weather this year. Our cost reduction program has included reducing the number of employees through attrition (normal retirements), extra attention to debt restructuring to keep interest expenses down, and implementation of our technology plan that reduces expenses by increasing efficiency and productivity. For example, the new Automatic Meter Reading System will help reduce expenses next year by almost \$250,000.

One of the most popular questions we get is about what effect the end of the Penelec rate caps will have on our co-op in 2011. The short answer is — very little! The cooperative does not buy any power from Penelec and is in a much different situation. Penelec and other investor-owned utilities sold much of their generation after Pennsylvania deregulated generation in the mid-1990s. Northwestern REC and our Pennsylvania-New Jersey co-op family decided to keep our ownership of the Susquehanna Steam Electric Station (we own 10 percent) and the hydro plant at the Raystown Dam in Huntingdon County (we own 100 percent). These two generation plants, plus our small share of the New York Power Authority hydro generation, gives us about 70 percent of the wholesale power we need at a very affordable and stable price. The other 30 percent is supplied by the open market and has increased over the past few years, but it will not have an impact on our

electric rates until 2011 and 2012. When Penelec's rate caps expire at the end of 2010, its customers will be exposed to the current market price for generation, which is quite a bit higher than when their rate caps were instituted 10 years ago. Northwestern's rates will only be influenced by the 30 percent of market power we buy, which will have a much smaller impact on our members.

The next question is: What's going to happen to our electric rates in 2011 and 2012? I will be able to give you a much clearer answer next fall, but I am hoping and planning to keep any increase we may need to 5 percent or less for each of those years. Allegheny Electric Cooperative, Inc., our wholesale electric provider, is negotiating the best market prices we can find for energy (the other 30 percent of our needs) and Northwestern REC is continuing our cost containment programs to keep expenses to a minimum. Our plan is to complete a detailed financial forecast and a retail rate study by the fall of 2010 to provide recommendations to our board about retail rate plans for 2011 and beyond. So, stay tuned and I'll keep you informed at our spring member meetings, our annual meeting in August and through *Penn Lines*.

I want to mention the great support from our members during the installation of our new electronic meters. Most of our 20,000 meters will have been replaced by year-end 2009. Our employees worked very hard on these change-outs and they really appreciated the patience on the part of our members. This also means that we will be ending our long-time arrangement with the Hazlett meter reading organization. We appreciate their hard work and support over the years. The new Automatic Meter Reading System is working quite well, and is an exciting new technology! 

Merry Christmas and Happy New Year, everyone!

Michael D. Tirpak
General Manager & CEO

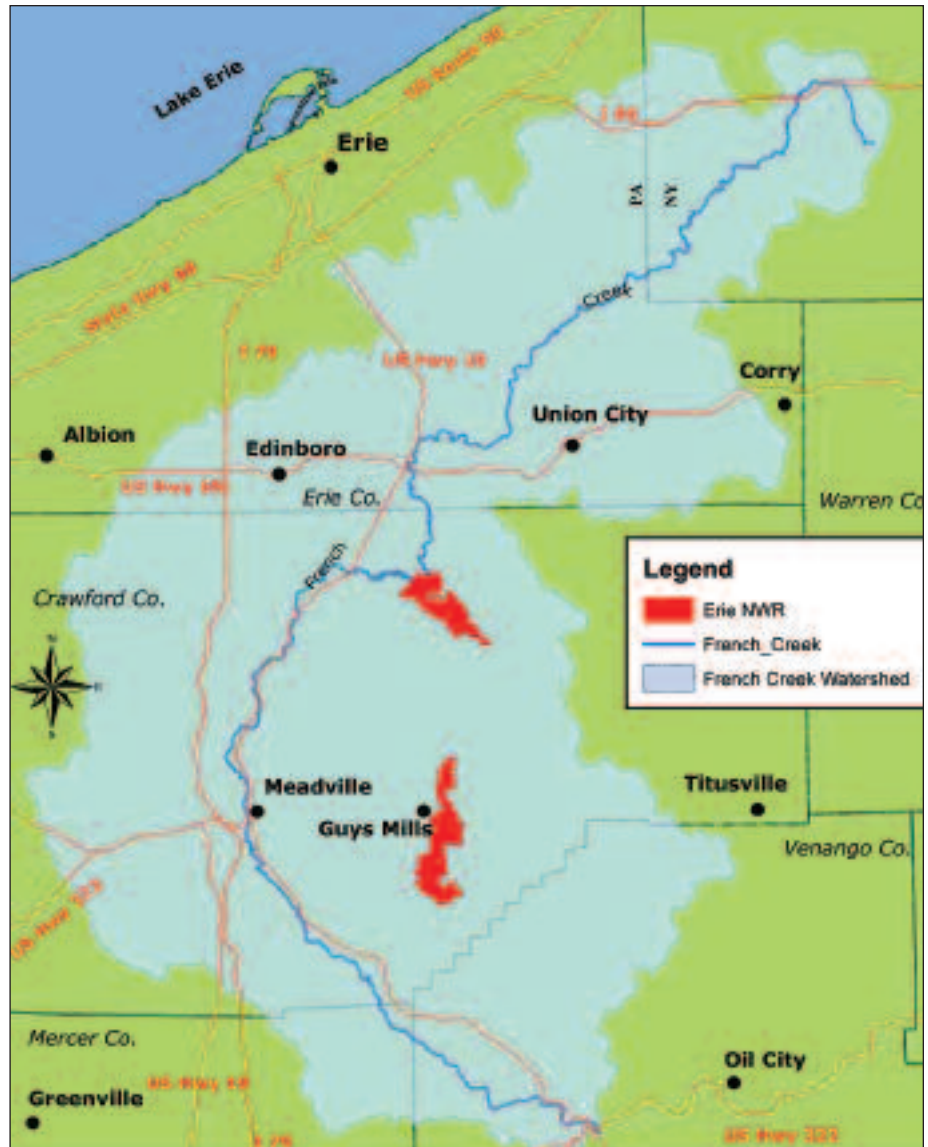
The French Creek Connection

WHEN Crawford County Conservation District representatives visit schools and events, they often bring a topological model of the French Creek Watershed — the 1,235 acres of rolling hills and valleys that drain into French Creek. Students sprinkle cocoa powder on the model landscape, and then spray it with water, getting a bird’s-eye view of how pollution that may seem far from the creek can ultimately wash into it.

“It gets people thinking about what a watershed is, what watershed they live in and how the things they do can affect it,” says Lynn Sandieson, district manager of the conservation district. “If you change your oil in the driveway, what happens to that? What happens if you lose soil off your land? Where does it go?”

The model demonstrates one of the greatest threats to the health of French Creek — non-point source pollution. Non-point source pollution is water pollution that can’t be tracked to a single source. Contaminants and sediment scattered throughout a watershed can eventually wash into the water, adding up to levels that damage water quality and fragile organisms that live in and around the water.

So far, the 117-mile French Creek remains healthy. More than 80 different species of fish inhabit it, including very rare species like the Pennsylvania-endan-



A simplified map of the location of Erie NWR in the French Creek Watershed; Many, many small streams flow into French Creek that are not able to be shown here.



French Creek is considered to be one of the most biologically diverse streams in the United States.

gered eastern sand darter and spotted darter. Rare freshwater mussels also can still be found in French Creek and some of its tributaries such as Muddy Creek, which passes through Erie National Wildlife Refuge’s Seneca Division.

“It’s one of the most biologically diverse watersheds in the United States,” says Nick Pinizzotto, senior director of watershed conservation and conservation services for Western Pennsylvania Conservancy. “Not only is it unique to Pennsylvania, but to the whole Northeast.”

But the French Creek is fragile, he adds. “If we’re not careful how we manage it, that biodiversity may be lost.”

Keeping the creek healthy consists of a two-pronged effort by people and communities in the watershed. The first part is to prevent contaminants from entering the water. For individual residents, this can be as simple as minimizing pesticides and fertilizers in lawn care, and making sure that oil and other household hazardous wastes are properly disposed.

The Crawford County Conservation

A sampling of French Creek biodiversity



Pictured clockwise from the bottom left: Rabbitsfoot Mussel; Channel Darter * (Jenkins & Burckhead, photographers); Northern Riffleshell Mussel; Eastern Hellbender** (R.W. VanDevender); Bluebreast Darter* (Roston); Wood Turtle** (A. C. Hulse.); Long Solid Mussel; Wood Duck Pair. * published courtesy of American Fisheries Society; ** published courtesy of Cornell University Press.

District offers a program for farmers to develop best management practices that reduce the runoff of waste, soil and nutrients from agricultural lands. Thanks to grants from the state and county, the district can cover 75 percent of the costs for improvements. (For information, go to Crawfordconservation.com.)

The second prong of protecting French Creek's water quality is to preserve natural buffers along the creek and its tributaries, and throughout the watershed. Wetlands are very important for their unparalleled ability to filter contaminants. Also creekside trees and brush are crucial for shading the waters, regulating water temperature and providing food and habitat for wildlife.

Erie's 8,800 acres of protected lands, two-thirds of which are wetlands, contribute to the health of Muddy Creek and other waters downstream. The refuge has planted trees along Muddy Creek, does not spray for mosquitos, and requires leased croplands on the refuge to have vegetation buffers along waterways.

Of course, the natural lands and vegetative buffers necessary to keep French Creek healthy extend far beyond refuge borders. Many landowners are adopting

practices to better protect French Creek and its tributaries, Sandieson notes.

The nonprofit French Creek Valley Conservancy, in partnership with The Nature Conservancy and Western Pennsylvania Conservancy, works with landowners in Crawford, Erie, Mercer and Venango counties to permanently conserve natural lands bordering the creek and its tributaries. "By protecting the adjoining lands, you help protect

what's going into the creek," says French Creek Valley Conservancy President John Tautin. ☀

Editor's note: Article by Kendall Slee, reprinted by permission of the U.S. Fish & Wildlife Service. Originally appeared in September 2009 edition of INSIDERie, the U.S. Fish & Wildlife Service newsletter of the Erie National Wildlife Refuge.

The heart of Northwestern REC's service territory covers the French Creek watershed.

What can I do to help maintain the health and diversity of French Creek?



The clubshell is one of the endangered mussels found in French Creek.

- ▶ Regularly clean out my septic tank and make sure it is functioning properly.
- ▶ Dispose of waste motor oil and other chemicals properly.
- ▶ Leave an undisturbed, vegetated strip of land between farm fields and steams.
- ▶ Keep livestock out of streams.
- ▶ Keep stream banks wooded.
- ▶ Use best management practices when logging.
- ▶ Never release leftover live bait into streams.
- ▶ Don't drain or fill wetlands.
- ▶ Learn as much as I can about wetlands and watersheds.



Above: Close up C7 LED light string. Below: Mini-lights and tea lights.



Festive and frugal

Christmas time for many means bright lights and decorated trees inside and outside. Newer technology makes it possible for you to have lots of lights and still be an efficient electric consumer. Light-emitting diodes (LEDs) offer beautiful lighting choices and frugal operating costs.

LED technology is readily available for many kinds of holiday lighting. Strings of lights in different sizes and colors can be found almost anywhere decorations are sold. Many of the LED decorations are offered in both battery-operated models and traditional plug-in varieties.

So if you are in the market for new illuminated decorations, look for LEDs; you'll like how they look and how inexpensively they operate.

Note: Always remember to follow the safety guidelines for the products.

Interesting websites

The following links provide assorted energy information resources:

- www.energysavers.gov
- www.turnsealsave.org
- www.energystar.gov
- www.chooserenewables.com
- www.tsesavers.coop
- www.northwesternrec.coop

Gift certificates available for any holiday

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An electricity gift certificate makes your gift giving easy. But as with all presents, it truly is the thought that counts.

If you would like to make a gift of electricity to a fellow cooperative member this year, just fill out the coupon below and return it with payment enclosed to Northwestern REC. We'll either send you the certificate or if you wish to remain anonymous, we'll send the acknowledgement to the member.

If you have any questions, please call consumer services at 800/352-0014.

Northwestern REC
P.O. Box 207
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To: _____

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Address: _____

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I would like to purchase a \$ _____ gift of electricity to be credited to the above person(s) account.

From: _____

I wish to remain anonymous

Please remember to enclose payment. Thank you.