

Northwestern  
Rural Electric  
Cooperative  
Association, Inc.

Your Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

Northwestern REC  
P.O. Box 207  
22534 State Highway 86  
Cambridge Springs, PA 16403  
Home Page:

<http://www.northwesternrec.coop>

BOARD OF DIRECTORS

- Kathy Cooper-Winters**  
President
- Larry Proper**  
Vice President
- AnneMarie Sundean**  
Secretary
- Robert G. Agnew**  
Treasurer

Francis Surovick

- District 1  
**Roger Follett**
- District 3  
**Kim Docter**
- District 6  
**David Rectenwald**
- District 7  
**Ronald Wineland**
- District 8  
**Lanny Rodgers**
- District 10

TELEPHONE NUMBERS

- Billing/Moves/Credit/Consumer Services**  
1-800-352-0014
- Engineering/New Construction/Field Services/Water Heater Servicing**  
1-800-473-3567
- Emergencies/Outages**  
1-800-474-1710
- Administration/General**  
1-800-472-7910
- FAX  
814/398-8064

OFFICE HOURS

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

Mary Mulligan-Haines, Editor

FROM THE MANAGER & CEO

# Spring 2008 member meetings



by Michael D. Tirpak  
General Manager & CEO

**I HAVE HAD** a lot of people in my lifetime tell me that as you get older, time seems to move faster, but as an engineer, I know that time is considered a constant and is a fixed quantity. With that thought in mind, I find it amazing that we are talking about spring member meetings, scheduled for April 2008. Even more

incredible is that I am turning 56 years old this month and am closing in on 20 years as the general manager and CEO of Northwestern REC! Regardless of my training in math and science, I am definitely seeing the wisdom of the sayings about time because here we go again with another round of spring member meetings.

In this 72nd year of operation for Northwestern REC, four of the co-op's 10 directors are up for re-election, which means the spring meetings in four director districts also function as a nominating meeting, as well as an informational resource meeting. This provides our members with an opportunity to select the individuals who will stand for election at our annual meeting on Saturday, Aug. 2, 2008. An important part of our co-op's democratic culture takes place in this process of selecting the board of directors, which approves budgets, rates and policies, and evaluates my performance as CEO. This selection/election responsibility of the members should not be taken for granted or minimized — after all, this organization is owned by the members!

Another responsibility of the membership is to keep current on the functioning of their cooperative, which means reading *Penn Lines* and attending member meetings, including annual meetings, which provide excellent opportunities to accomplish this function. The spring member resource meetings usually involve presentations by the board president, the general manager and CEO and/or a staff manager about current events of the co-op and the utility industry. Ample time is provided for comments and questions from the membership. We also provide a tasty light meal to begin the meeting, which is another part of the rural life that we enjoy!

Please mark your calendars to attend the spring member meeting in your district if you want to participate in the nominating meeting for your director, or look for the meeting that is closest to you or best suits your busy schedule (look for the dates in this issue of *Penn Lines*). I look forward to seeing you at one of our meetings in April. Your attendance is important and makes the difference for the successful future of our cooperative.

Best wishes for a safe and warm winter season. As to the passage of time, I find that I do not mind the swift passing of winter months and look forward to a long spring, summer and fall. Can we have the best of all seasons? ☀

Michael D. Tirpak  
General Manager & CEO

# Where does your power come from?

Your co-op does not buy its power from Penelec. This is a very common misconception among co-op members and the general public. Northwestern

cooperative being one of the 14. This is the portion of your bill called generation.

Allegheny owns the Raystown hydroelectric plant in Huntingdon and 10 percent of the Susquehanna nuclear power plant in Berwick. This is important because it means that 70 percent of the power that is delivered to NREC members is owned by Allegheny and is not subject to the fluctuation of market prices driven by supply and demand. Allegheny only has to purchase approximately 30 percent of the power we deliver to our members on the open market. Current open market prices are ranging between \$.08 and \$.09 per kilowatt-hour. This does not include any of the costs to deliver that power to the buyer.

pay when driving on a toll road. NREC pays Penelec these “tolls” to use its transmission lines to get the power from our generation plants to our substations. If Penelec’s transmission lines are unable to deliver power to our substations for some reason (for example, due to weather conditions, vehicle accident or equipment failure), NREC members may experience a power outage.

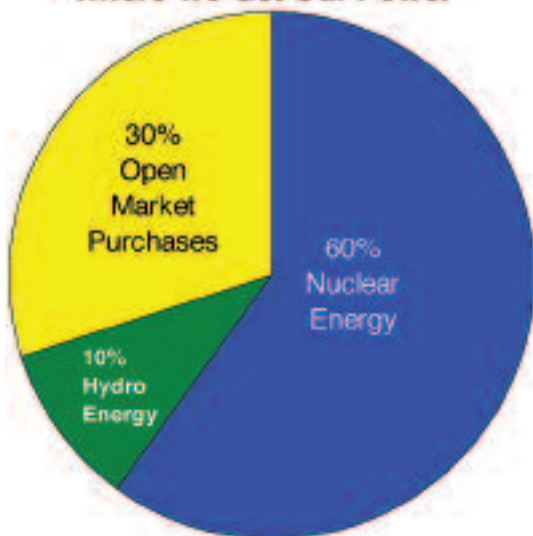
The NREC engineering department has developed systems over the years to transfer power between various substations and essentially make a “detoured route” for the electricity to help minimize these types of outages. Unfortunately, they do still occur from time to time.

The distribution portion of your bill includes the costs to get the power from NREC substations to your home or business. This is the portion of your bill that has experienced the greatest cost increase with the April 1, 2008, rate change. See the article titled “Rebuilding for tomorrow, reducing outages for today” for details on why this change is needed. ☀

REC (NREC) purchases its power (generation) from Allegheny Electric Cooperative, Inc. (Allegheny). Allegheny is owned by 14 electric cooperatives in Pennsylvania and New Jersey, your

The transmission portion of your bill includes the costs to get the power from where it is generated to NREC substations. This is very similar to the tolls we

Where We Get Our Power



**POWER TRIO:** The three parts needed to provide electricity to you include generation (such as this hydropower facility), transmission lines and the local distribution system.



# Rebuilding for tomorrow, reducing outages today

**NORTHWESTERN REC** is now 72 years old. While your co-op is aging well, just like our bones get a little brittle with the wear and tear we put on them over the years, so do our power lines. In an effort to replace aging power lines and maintain reliable power, each year we rebuild those lines that our engineering department determines need to be replaced. This is determined by a number of factors, such as number of outages, condition of the line, growth in the area, etc.

In 2002, we had over 800 miles of line that was over 40 years old. In 2007, we had reduced that number to just 505 miles of line over 40 years old. Granted, this is somewhat of a moving target as each year we have line that is aging and added to this "over-40 crowd." Since 2002, this line replacement accounts for over \$8.7 million that your co-op has re-invested into replacing older power lines and improving system reliability.

This \$8.7 million includes \$514,090 that was used to rebuild the Conneautville substation in 2006. This older substation was a wooden one and ready to be upgraded. Just the transformer alone for the substation cost \$118,000 (purchased in 2004). The next substation slated for replacement is the Edinboro substation. While we had hoped for this replacement to take place in 2007, however, it has been tabled until prices in the industry stabilize a bit. The same transformer that was installed in the Conneautville substation was quoted in 2007 to cost \$267,000. We have started to see some things come down and will rebuild the Edinboro substation once prices become more stable.

We have rebuilt an average of 37 miles of line per year over the last six years. Some of these areas that we have rebuilt are listed below. See if there are any of these projects done since 2002 that have helped improve your power reliability.

► Beaver substation: Barney and 6N roads; Porkey, Randall and 6N roads;

Knapp and 6N roads; Spring Road; East Spring Road; Center Road; Hickernell Road;

► Centerville substation: Route 89 and Penoyer roads;

► Cochranon substation: Route 322 and Stockton Corners Road; Wheeling Hill Road; Decker Run Road; Judson Road, Beatty Run Road; Sitzerville Road; Old Franklin Pike;

► Conneautville substation: rebuilt substation; Carpenter and Conneautville roads; Gehrton Road, Allen Road; Porters Road; Beagle Road; State Route 18; Wheeler Road; Cole Road; Steam-

ter Hill Road; Old State Road; Oliver Road; Fry and 6N roads; Koman Road; Church Road; Old Plank Road; Hill Road; Osborne Road; Woods Road; McLaughlin Road; East Stancliff Road;

► Elgin substation: Wagner Road; Shreve Road; Lincolnville Road; Valley Road;

► Geneva substation: West Vernon and Bailey roads; Barco Road; Shaffer Road;

► Mill Village substation: Zilhaver Road; Kreitz Road;

► Mount Hope substation: Sugar Lake Road; Wolf Road; Lake Creek Road; Shoey Road;

► Plum substation: State Route 427;

► Richmond/Teepleville substation: rebuilt three-phase line; Gravel Run Road;

► Saegertown substation: Capp Road; Hecker Road; Sherred Hill Road; Mead



**LINE WORK:** Rebuilding an I-79 overhead line crossing.

burg Road; Dicksonburg Road; Hindman Road; Phelps Road; Pennline Road; Agnew Road; Rumeville Road; Sherretts Road;

► Edinboro west substation: Carbury Road; State Road; Silverthorn Road; Kinsey Road; Miller and Thrasher Road; Eureka Road; Ivoray Road; Franklin Center Road; Old State Road; Mohawk Road;

► Edinboro substation: Kline Road; Kin-

Road; Route 198 and Town House Road; Brookhouser Road; Fox Road; Center Road; Porkey Road; Florek Road; Tarbell Road; Huson Road;

► Tamarack substation: Hatch Hill Road;

► Vernon substation: Middle Road; Cotton Road; Huber Road; VanHorne Road; Doral Estates; Inlet Road; Pachuk Road; Agnew Road; Gibson Road; McCarthy Road; Locke Road; Watson Road; Foster Road. ☀

## Mercury vapor lighting ballasts outlawed

The U.S. Congress passed and President Bush signed into law the Energy Policy Act (EPA) of 2005. One provision in the law prohibits the manufacture or sale of mercury vapor (MV) lighting ballasts effective Jan. 1, 2008. Mercury vapor is being phased out to protect the environment and to promote energy efficiency in lighting. Your

cooperative has been preparing for this for several years. Northwestern REC has been transitioning away from the use of MV since 1984 as these ballasts/fixtures fail. The default maintenance replacement for outdoor lighting fixtures will be a standard high-pressure sodium (HPS) light. HPS lighting (yellow light) is 2 1/2 times more energy efficient. Mercury vapor lamps (white light) are not required to be phased out, so they will continue to

be available as maintenance replacements for existing area and street lights, but MV fixtures must be phased out as existing mercury vapor ballasts and fixtures fail.

Some other local utilities are phasing out and eliminating their outdoor lighting program by 2012. However, our members tell us this is an important and valued service and we will continue to provide it.

While the HPS lamps and ballasts are more efficient and better for our environment, unfortunately we (and other utilities throughout the country) have found them to be more costly to maintain. Listed below are new rates for outdoor lights that will be effective April 1, 2008. This shows both metered and unmetered options. ☀

	(Includes kWh use) Unmetered Lights
100-watt high-pressure sodium	\$11.15
175-watt mercury vapor	\$12.35
250-watt high-pressure sodium	\$18.15
400-watt mercury vapor	\$21

## Member resource/nominating meetings scheduled; It's your opportunity to get involved with Northwestern REC

Your cooperative wants you to get involved in the election process for the board of directors. As required by the bylaws, nominating meetings are held in the districts of board members that are up for reelection. Members attending the nominating meeting nominate individuals to run for election to the

board. The election of the directors occurs at the annual meeting on Aug. 2 at the Crawford County Fairgrounds.

Northwestern REC also offers member resource meetings in several areas so that all members have an opportunity to attend a meeting to provide feed-

back to the cooperative. This year, five meetings are scheduled.

Each meeting begins at 6 p.m. with a meal and usually lasts about two hours.

Fill out the coupon below and send it to Northwestern REC, P.O. Box 207, Cambridge Springs, PA, 16403 or call 1-800-472-7910 to make a reservation. ☀

I would like to attend the meeting circled below.

April 15	Centerville United Methodist	District 7 nominating meeting
April 17	Vernon Central Hose Co.	District 8 nominating meeting
April 21	Smith's Country Gardens	District 9 nominating meeting
April 22	Edinboro VFW	Member resource meeting
April 28	Family Ties Restaurant	District 6 nominating meeting

Please reserve \_\_\_\_\_ meals for me.

Name: \_\_\_\_\_

Address: \_\_\_\_\_