

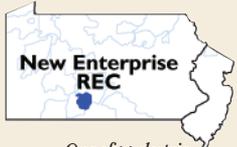
FROM THE GENERAL MANAGER / CEO

The value of electric cooperatives

Why being a member of a co-op saves you money

New Enterprise Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

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Rick L. Eichelberger
General Manager & CEO

THERE ARE three main types of electricity providers in the United States. Investor-owned utilities (IOUs) primarily serve densely populated areas. Municipal-owned utilities also serve densely populated cities from the very large, such as Los Angeles, to the very small, like Robersonville, N.C. And of course, there are rural elec-

tric cooperatives like New Enterprise Rural Electric Cooperative, Inc. that serve less populated parts of the country.

In the utility business, population matters a lot. Since the costs to serve any given area are similar, having more customers allows you to spread the costs among more people to keep rates lower. At least that is the theory.

The graphic below shows the national averages of density and revenue per mile of electrical line for IOUs, municipal-owned utilities and electric co-ops. Municipal-owned utilities, which operate

in cities and towns, have the greatest density — 48.3 customers per mile of line, generating an average of \$113,301 of revenue per mile of line. IOUs follow with 34 customers per mile of line, while generating average revenues of \$75,498 per mile of line. Finally, electric co-ops average 7.4 members (not customers, but members) per mile of line, bringing in an average of \$14,938 of revenue per mile.

New Enterprise Rural Electric Cooperative, Inc. serves 9.6 meters per mile, generating \$7,100 of revenue per mile of line. The density of meters at New Enterprise Rural Electric Cooperative is above the electric co-op average in the country and the revenue collected is about half.

If I were to give this data to any business school in the country and ask (based on this information) what the rates should be for each of the utilities, the answer would likely be that electric co-ops would have a rate 7.5 times greater than municipal-owned utilities and five times higher than IOUs — but that is not the case. Why not?

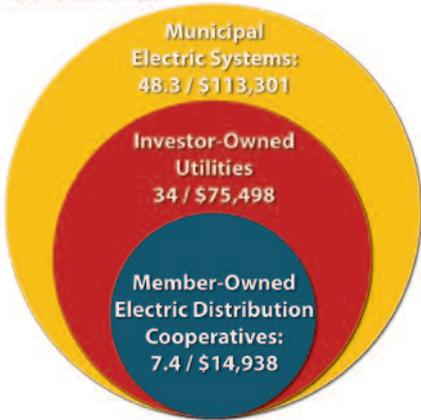
It has to do with the business model. IOUs are owned by outside investors that may or may not be users of the electric utility they own. These companies' stocks are traded on Wall Street, and those investors demand a return on their investment. This drives up the price that their customers pay. Many municipal systems charge rates that generate a "profit" for their cities to help pay for other services. New Enterprise Rural Electric Cooperative, Inc. operates on a not-for-profit basis. Of course, we are a business and must generate enough revenue to cover costs (the largest being the purchase of wholesale power). But we don't have to charge rates to pay outside stockholders.

Since our members are our owners, we can provide safe, reliable and affordable power to you. That is just another way your co-op brings you value. 

Revenue in Review

Because of higher population densities (more consumers served per mile of line), municipal electric systems and investor-owned utilities receive more revenue per mile of line than electric cooperatives.

Consumers served/revenue per mile of line for different utilities:



Source: National Rural Electric Cooperative Association, September 2013

Those who keep the lights on

BY BRAUNA L. SELL

NATIONAL Lineman Appreciation Day is April 13, 2015. This day has been set aside to honor the men and women who put their lives on the line every day to keep the power on. These workers may be called out day or night in scorching heat or frigid cold weather to restore electricity during an outage. Not everyone is cut out to walk in their boots. It isn't a career for the faint of heart.

General Manager/CEO Rick Eichelberger states, "I realize it takes a special individual to do the work required by our linemen. A lineman has to take pride in the work he does and be responsible for every action taken in the field. Every safeguard imaginable must be taken during all aspects of his work. Even the slightest error can be fatal."

"I remember working in Meadville, Pa., after a tornado. We worked day and night until you couldn't go anymore. The Red Cross volunteers sent food up the pole to us so we didn't have to climb down to eat."

Outside Operations Manager Rod Decker

When New Enterprise Rural Electric's linemen were asked why they wanted to become a lineman, the most popular answer was: "I enjoy working outside." Rod Decker, outside operations manager, who has been a lineman for 40 years, said he always liked working in the air.

Linemen don't sit behind a desk from 8 a.m. to 5 p.m. Instead, their desks balance 40 feet high on the top of a pole. You will find them with all their personal protection equipment (PPE) on. PPE is worn to protect them and allow them to return to their family at the end of the day. Without these men,



THANK A LINEMAN: New Enterprise Rural Electric Cooperative linemen are, from left: Mark Replogle, John Simington Jr., Zach Conley, Rod Decker, John Colyer and Randy Walker. Our new lineman, Roman Dell, is not pictured.

we would not be able to live the lives we do. They keep the power on at schools, churches, farms, businesses and homes around our communities. Without electricity, life is very difficult.

Our lineworkers form a solid team with one job: to deliver safe, reliable electricity. But that job can change in a million ways when rough weather arrives. On a typical day, linemen maintain electrical lines or build service to new homes or businesses. They have a lot on their plates. When the office calls the crews with a problem, everything has to take back seat. Power restoration takes top priority on the to-do list for the day.

Not only can it change the course of a work day, but an outage changes the hours of sleep they get in a night or if they get to go out to eat supper with their families. A lineman must be dedicated to his work 24 hours a day, 7 days a week. When an outage does occur, the lineman's first thoughts are to get the power back on the quickest, but safest, way possible.

"All seven of our current linemen know that being a lineman requires a commitment to respond to emergency work to restore power to members at all hours of the day and night," Eichelberger says. "It is not a pick-and-choose situation, and it can happen multiple times

during a night, during severe weather conditions or during holidays or special events. There are no two-hour delays with this job and they understand it."

During one particular outage, the problem couldn't be reached by road. So Mark Replogle, a lineman, and Leslie Zimmerman, a former outside operations manager, rowed their way to the problem in a boat. Whether riding in a vehicle, a four-wheeler, a snowmobile, walking, or rowing a boat, the line crews will get to the location of the outage and take care of it.

One of our newest linemen, Zach Conley, had been working for about a year when Hurricane Sandy hit. He was ready to go to work if the storm caused problems in our area. The same night

"I like building new lines, cutting trees and meeting all the members."

Zach Conley

the storm was to hit, his wife, Tera, who was nine months pregnant, starting having contractions. Conley spent the night in the hospital waiting for the birth of his daughter, Mya. Mya had other plans and didn't arrive until the following week. There are only a few events that will keep a lineman from going on an

outage call. The birth of his children is definitely one of those events.

In some cases, the career of lineman is a family tradition. Decker has two brothers who are linemen. The brothers started working for electric contractors right out of high school. Now, they all work for co-ops around the state. They have a combined 100 years of working as linemen. Crew Chief John Colyer's father was a lineman. Eichelberger has a son who is a lineman at a co-op.

Besides linework running in the family, John Simington Jr. (Jr) decided to become a lineman because the high demand to fill lineman positions will always guarantee employment. Conley was a tree trimmer before coming to New Enterprise REC. He was used to working around power lines, and being at home every night was a great bonus. Replogle wanted a job where he didn't get laid off every winter.

“One night, there was a car pole accident. Upon arrival we learned that the accident involved two police cruisers. It was really unexpected. It almost made you say, ‘Now I’ve seen it all.’”

John Simington, Jr.

Randy Walker, lineman, said the most rewarding part of his career has been learning to run a dozer and cranes, and fly a helicopter. Fixing problems and restoring power after an outage are the most rewarding aspect of Colyer and Replogle's jobs.

New Enterprise Rural Electric would like to thank all our linemen for the dedicated and hard work they put in each and every day.

“There is not a computer, a digitized set of maps or even a drone that could ever replace the amount of knowledge an experienced lineman carries within his head,” Eichelberger says. “It is amazing to watch them in action under some of the worst conditions. Put the proper tools and equipment in their hands and nothing is impossible.”

This just isn't a time to thank our lineman, but also a time to thank our linemen's families. Their families can go days without seeing the father, husband or boyfriend. They are awakened in the middle of the night when an outage call

comes in. They go to birthday parties without their lineman.

So the next time you see one of your linemen, make sure to tell them how much you appreciate the job they do. GOT POWER? Thank a lineman! ⚡

Enjoy a safe start to spring

As the spring season approaches, many will usher in the warmer weather by thoroughly cleaning their homes and tending to yard work. The Electrical Safety Foundation International (ESFI) recommends homeowners ensure that electrical hazards are eliminated, along with unwanted dust and clutter.

ESFI suggests starting with the basement, an important, but often overlooked space when it comes to home inspection and fire safety. These low-level rooms contain two leading causes of home fires – heating equipment and electrical distribution systems.

- ▶ Check the label inside the door or cover of your electrical service panel to see when your electrical system was last inspected. If the date has passed or is approaching, contact a licensed, qualified electrician to schedule an inspection.
- ▶ Be sure circuit breakers and fuses are correctly labeled with their amperage and their corresponding rooms, circuits, or outlets. Use correct size and current rating for breakers/fuses.
- ▶ Increase your fire protection by having a licensed electrician replace your standard circuit breakers with arc fault circuit interrupters – AFCIs.
- ▶ Have your furnace cleaned and inspected annually by a licensed professional.
- ▶ Make sure all fuel-burning equipment, such as furnaces, stoves and fireplaces, is vented to the outside to avoid carbon monoxide poisoning.
- ▶ Check for excessive vibration or movement when the washing machine or dryer is operating. This can put stress on electrical connections.
- ▶ Make sure the area around your dryer is clutter-free and that the dryer lint filter is cleaned after each load. Lint buildup can be a fire starter.
- ▶ Don't overlook your basement when it comes to smoke detectors and carbon monoxide detectors. These devices should be installed in these spaces, as well as on every level of your home and outside every sleeping area. Test these alarms to ensure they are in working order, and replace the batteries when needed.

Visit www.esfi.org for more tips on keeping your home and family safe this spring and beyond.

KIDZCORNER

What the well-dressed lineman is wearing

New Enterprise Rural Electric Co-op Lineman John Simington Jr. knows better than to go to work half-dressed. He has special clothing and tools that allow him to work on live power lines and do his job safely.

But you don't have the same outfit or expertise as John. That's why you should never touch any electric line, even if you think it's off. Electricity helps us in many ways but it can be very dangerous, even deadly. Call New Enterprise REC if you see a downed power line.

1. FIBERGLASS SHOTGUN STICK

Allows lineman to perform some tasks from the ground.

2. HARD HAT

Protects head from falling objects and bumps; also insulates head in case of electrical contact.

3. FIRE-RETARDANT SHIRT

Protects against flames, flash fire and electric arc.

4. CLIMBING BELT

Securely supports lineman's weight when climbing poles; also holds tools and supplies to free hands as necessary.

5. FIRE-RETARDANT JEANS

Are 100 percent natural fibers; they must be fire retardant to protect the lineman in case of fire or sparks.



6. HOOKS

Are used for climbing poles when a bucket truck can't be used or more assistance is required.

7. SAFETY GLASSES

Protect eyes from debris, flying objects and other hazards.

8. RUBBER GLOVES

Insulate hands and fingers from live electrical circuit; allow lineman to repair lines without disconnecting your power.

9. LEATHER PROTECTORS

Protect rubber gloves from punctures.

10. SAFETY STRAP

Wraps around a pole for support and protection while lineman are climbing.