

FROM THE GENERAL MANAGER / CEO

## Skin in the game

# New Enterprise Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

3596 Brumbaugh Road  
P.O. Box 75  
New Enterprise, PA 16664-0075  
814/766-3221 • 1-800-270-3177  
FAX 814/766-3319  
Website:  
www.newenterpriserec.com

**BOARD OF DIRECTORS**

**Leroy D. Walls, President**  
**David Bequeath, Vice President**  
**Timothy Newman, Secretary**  
**John R. Dively, Asst. Secretary**  
**Robert Guyer, Treasurer**  
**Dean Brant**  
**Merle Helsel**

**OFFICE HOURS**

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

**EMERGENCY OUTAGE NUMBER**

**814/766-3221**  
**1-800-270-3177**



**Rick L. Eichelberger**  
General Manager & CEO

**THE FOLLOWING** is from the International Co-operative Alliance summary of the third cooperative principle, “Members’ Economic Participation:”

*“Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually*

*receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.”*

So what do those words mean? Let’s take a closer look. Chances are when you joined New Enterprise Rural Electric Cooperative, you paid a membership fee of \$5. That is your part of the equity or your share of ownership (*Members contribute equitably to the capital of their cooperative*). You also do something else every month that allows your co-op to keep the lights on — you pay your bill.


As a member, you have a say (*democratically control*) through your elected board of directors. The board sets the strategic direction of the cooperative; then the management and staff put that direction into action through the operations of the co-op.

At the end of the fiscal year, if your co-op has received more money than it needed for the expenses, a portion is set aside for reserves, which is like a sav-

ings account for the co-op. That way, if a storm or flood comes through, the co-op will have the funds to do the needed repairs. The remaining amount is allocated to each member based on how much electricity they used during the year (*benefiting members in proportion to their transactions*). This is the amount you will see as a capital credits check or a credit on your bill. The capital credits will appear as a credit on the bill you receive in January 2015. So don’t forget to take a close look at your bill to see the amount you earned.

While the safe, reliable and affordable provision of electricity is most important, your co-op does many other things, too. We support dozens of local charities throughout the year, including fire and ambulance associations. Along with our popular Youth Tour trip to Washington, D.C., where students learn about cooperatives and government, we recently established a scholarship for members who enroll in a lineman training school.

New Enterprise Rural Electric Cooperative is not some large power company headquartered in a far-off state with stockholders from around the world. We are right here in New Enterprise, Bedford County. We serve portions of Bedford, Fulton and Huntingdon counties. We were formed by neighbors and friends who came together with the goal of improving the quality of our lives through electricity. Our goal is to continue to do that by improving the quality of your life with the same neighborly approach.

Our cooperative principles guide us, and through your economic participation (a.k.a. “skin in the game”), we make sure our focus is on you, the owner-member. 

## Collection of past-due balance doesn't stop in winter

**ON** Jan. 28, 2015, New Enterprise REC will be installing service load limiters on any account that has a 60-day or greater past-due balance. Payment of the past-due balance must be in the office before Jan. 28 to avoid a limiter being installed.

Not able to pay the full past-due balance? Call Brawna at extension 4602 to set up a payment agreement on or before Jan. 26. All agreements must be in writing and be in New Enterprise REC's office before Jan. 28, 2015. Don't wait until the last minute to call the office. Allow enough time for the agreement to get to you and to be returned to the co-op's office.

The procedure for service load limiters includes:

- ▶ The full past-due amount needs to be paid before the limiter date.
- ▶ Should you not be able to pay the full past-due amount, you can sign a payment agreement to avoid having your electricity limited.
- ▶ No agreements can be made the day prior to limitation and the day of limitation.
- ▶ No checks are accepted in the night deposit the night before limitation. Only cash can be paid in the night deposit.
- ▶ When we are installing limiters, only cash, MasterCard, or Visa can be accepted as payment from 7 a.m. to 3:30 p.m.
- ▶ If we stop at your account to collect your payment, a collection fee of \$125 will be charged to your account.
- ▶ Once a limiter is installed, the total bill due plus installation and removal fees need to be paid before the limiter can be removed. This payment must be in cash or money order.
- ▶ Should the account not be paid in full by April 1, 2015, the electric service will be disconnected completely. This will add more fees to the account balance.
- ▶ Even though a limiter is installed, a meter reading still needs to be submitted. Electricity is still being used with a limiter, just not nearly as much as before.

The Low Income Home Energy

Assistance Program (LIHEAP) doesn't consider a service load limiter a crisis. Since this is a heating program and a limiter will provide heat, no money is available through the crisis program.

### So what is a service load limiter?

- ▶ A service load limiter limits the amount of power (watts) that can be used in the home at any one point in time. It will severely limit the amount of electricity used in your home.
- ▶ The service load limiter is installed in your meter base, behind the meter. It has a circuit breaker that will open, turning off your electricity, if the electric load in the house exceeds the allowable amps. You will not be able to operate all of the electrical devices in your home at the same time. Breakers in your panel box will need to be turned off. Only the breakers that have the needed appliances or furnace on should be turned on.
- ▶ If the circuit breaker in the service load limiter opens, you will be without electricity. Before the breaker will reset, you need to limit the amount of electricity being used in your house by turning off breakers in your breaker panel. Once the electric load is decreased, the service load limiter breaker will automatically reset in approximately two minutes.

New Enterprise REC would prefer to not have to install a service load limiter on any account. We would much rather work with you to get your bill paid in full. If you are unable to pay the full past-due balance, call Brawna to set up arrangements. Once an agreement is in place, it must be followed as stated. Should the payments not come in as agreed upon, limitation will occur. ☀

## Space heaters - warmth vs. cost

BY WENDY CONLEY  
Customer Service Representative

As the coldest weather of the season approaches, many members are considering the use of space heaters as supplemental heat. Most heaters are 1,500



watts and, regardless of the size and style of the heater, they produce the same amount of heat. They differ by the way the heat is dispersed. A radiant heater will give you

direct warmth while a conventional heater will warm the room. The conventional heater works well as long as it is in a confined room. When you are trying to heat a large open room, the savings are sent right out the window.

We are asked frequently how much it costs to run a space heater. Again, it depends on the type of room you are heating and how often you are using the heater. If you are using the heater 24 hours a day, seven days a week, you can add approximately \$100 on top of your normal utility bill. You would see a small increase on your bill if you are using the heater to heat up a small enclosed room like a bathroom and then turning it off after the room is warm.

When purchasing a heater, find one with a temperature control. When the desired heat level is achieved, then the heater will kick off. This will help with savings as the heater will not be running continuously. Also, turn back your main heating system's thermostat while using the heater if you are not using it in a confined room. Select a heater that will turn off automatically if it falls over.

To see how much your heater is costing, go to [www.newenterpriserec.com](http://www.newenterpriserec.com), click HomeEnergySuite and under Energy Reference, click on space heaters.

## Tip of the month

They're out of sight, but don't forget about your air ducts. Taking care of them can save money and energy. Check ducts for air leaks. Take care of minor sealing jobs with heat-approved tape, especially in attics and in vented crawl spaces. Call the pros for major ductwork repairs.

Source: U.S. Department of Energy

## Common capital credits questions:

### What are capital credits?

An electric cooperative operates on an at-cost basis by annually “allocating” to each member, based upon the member’s purchase of electricity, operating revenue remaining at the end of the year. Later, as financial conditions permit, these allocated amounts — capital credits — are retired. Capital credits represent the most significant source of equity for New Enterprise Rural Electric Cooperative (REC). Since a cooperative’s members are also the people the co-op serves, capital credits reflect each member’s ownership in, and contribution of capital to, the cooperative. This differs from dividends that investor-owned utilities pay shareholders, who may or may not be customers of the utility.

### Where does the money come from?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating “margin.”

### How are margins allocated?

Margins are allocated to members as capital credits based on their purchases from the cooperative — how much power the member used. Member purchases may also be called patronage.

### Does Penelec or West Penn Power retire capital credits?

No. Within the electric industry, capital credits only exist at not-for-profit electric cooperatives owned by their members.

### Are capital credits retired every year?

Each year, the New Enterprise REC Board of Directors makes a decision on whether to retire capital credits based on the financial health of the cooperative. During some years, the co-op may experience high growth in the number of new accounts, or severe storms may result in the need to spend additional funds to repair lines. These and other events might increase costs and decrease mem-

ber equity, causing the board not to retire capital credits. For this reason, New Enterprise REC’s ability to retire capital credits reflects the cooperative’s strength and financial stability. The board alone decides whether to retire capital credits.

### Do I lose my capital credits in the years the co-op decides not to make retirements?

No. All capital credits allocated for every year members have been served by New Enterprise REC are maintained until such time as the board retires them.

### How often do members receive capital credit retirements?

The New Enterprise REC Board of Directors makes a decision each year by December whether or not to retire capital credits. When the cooperative is strong enough financially and member equity levels high enough, the board directs staff to retire some portion of past years’ capital credits.

### How will the retirement work?

Inactive members who no longer purchase electricity from the co-op (but who purchased electricity during the years being retired) will receive a check. Due to the expense involved in processing printed checks, the minimum retirement check that will be written is \$5. Active members will receive their retirement dollars as a credit on their electric bill. It shows as “CC Retirement” on your January statement.

### What if I have moved?

If you move or no longer have electric service with New Enterprise REC, it is important that you inform the cooperative of your current address so future retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credits retirement, even if you move out of the co-op’s service area. If we have your current address, then we will send your retirement check by mail. ☀

## Critical Care List

The Critical Care List tells New Enterprise REC which consumer-members on our system depend on electricity for in-home medical equipment. While we do everything we can to prevent interruptions in electrical service, outages do happen. Most outages can be taken care of within a couple hours, but unfortunately some last longer.

During these outages, we do our best to get each of our consumer-members back in power as soon as possible. Those on our Critical Care List are given higher priority. Even though higher priority is given, an outage may still be lengthy. Plans should be made in advance for unexpected outages. This could include extra bottles of oxygen or a “calling tree” of friends, family, or caregivers who can be called upon during these emergencies. For planned outages, we make every attempt to contact people with medical equipment.

To be put on the Critical Care List, a form needs to be completed by your physician. Call Bobbi at our office at extension 4606 for the proper form. Once we receive it back, we will add your name to the list.

If you already have a form on file, you do not have to call for another one. We do update these records once a year. If your form isn’t returned, your name will be removed from the list. It is very important to get your form completed and back in our office.

Again, being on this list is not a full assurance that things will be OK, but it helps everyone involved make the best of the situation. New Enterprise REC is proud that we have one of the lowest outage ratings in the state. Maintaining a working Critical Care List is just a part of our outage management system. ☀



## KIDZCORNER

# Attention high school juniors



**ARE YOU** a high school junior from Forbes Road, Northern Bedford, Southern Huntingdon or Tussey Mountain? Are your parents or legal guardians consumer-members of New Enterprise Rural Electric Cooperative (REC)? If your answers are “yes” to both questions, you have fulfilled all qualifications to be considered for the 2015 Rural Electric Youth Tour.

New Enterprise REC, along with rural electric cooperatives from all across the country, sends students on this trip of a lifetime to our nation’s capital, Washington, D.C. The dates for this all-expenses-paid adventure are June 14-19, 2015.

### **SO WHAT IS THE RURAL ELECTRIC YOUTH TOUR?**

The Youth Tour provides high school juniors with an outstanding opportunity to learn about democracy and leadership in Washington, D.C. You will learn firsthand about politics, community development, and today’s social issues while touring historical sites and enjoying an All-States Dance, a trip down the Potomac River, and a night at the theater.

### **A LITTLE HISTORY**

Over 50 years ago, then-U.S. Sen. Lyndon Baines Johnson inspired the Youth Tour when he addressed the National Rural Electric Cooperative Association (NRECA) Annual Meeting in Chicago. The senator and future president declared, “If one thing goes out of this meeting, it will be sending youngsters to the nation’s capital where they can actually see what the flag stands for and represents.”

What started out as a few young people working during the summer in Sen. Johnson’s office is now an event that brings more than 1,600 high school students from across the United States to Washington, D.C.

### **SUPPORT OF NEW ENTERPRISE REC DIRECTORS**

New Enterprise REC directors believe it is important to teach students why electric cooperatives were created and how government works. Students come away from this outstanding trip with memories and friendships that last a lifetime.

Still not sure if this trip is for you? Why not check out the Youth Tour’s website, [www.youthtour.coop](http://www.youthtour.coop)? On this website, there are student, parent, educator and alumni sections, plus other information.

If you are interested in this great trip, contact Brawna at the cooperative’s office at extension 4602 or by email at [bsell@newenterpriserec.com](mailto:bsell@newenterpriserec.com). You can get the necessary paperwork from Brawna or your high school guidance counselor.