

The Energy Line

Energy information for the customers of Wellsboro Electric

From the President & CEO

Rates to rise in 2008

When you received your Wellsboro Electric bill in June, you probably noticed an insert announcing plans for changes to our generation rates and services.

We have filed a request with the Pennsylvania Public Utility Commission (PUC) seeking approval of these changes in anticipation of our new arrangements for generation supply that will take effect Jan. 1, 2008, when our current supply contract expires.

Our new supply contract will differ significantly from the contract under which we currently operate. As everyone knows, energy prices have risen dramatically since 2002, when we locked in our current 5-year power supply contract with Dominion Energy. Thanks to that long-term contract, the generation charge on your electric bill will remain stable through year end.

But come 2008, you are likely to see a significantly higher generation charge on your electric bill. This is primarily due to the steep rise in the price of natural gas, which fuels many of the nation's newer power plants.

We have been working since last summer to secure a new, reliable power supply at the best pricing possible. While we initially expected to put in place another long-term supply contract, in May the PUC enacted a new regulation that steered us away from seeking a multi-year contract with a single generation supplier. Instead, we are now required to use a "portfolio" or "hedge" approach to supply our generation.

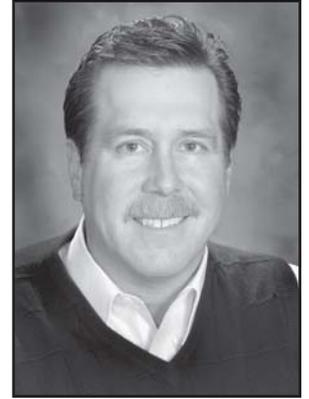
As part of this approach, we will utilize a third party, ACES Power Marketing, to procure and manage our generation supply.

ACES, a wholesale energy risk management and power marketing company that serves electric utilities nationwide, will secure power for WECO at market prices from multiple electricity suppliers. I'm convinced we can obtain better generation pricing using this new approach than by purchasing power via the traditional bid process. This is because when suppliers are bidding to provide fixed, long-term generation contracts, they typically tack on substantial margins to protect themselves against unforeseen rises in energy prices.

With the portfolio approach we are exposed to market pricing. That means if electricity prices slide, our customers will reap the benefits. The downside to purchasing power this way is that there is more chance for rate fluctuation. As a result, we will be required by the PUC to adjust our generation rates on a quarterly basis. I would like to point out that as your provider of last resort, we are not permitted to "mark up" or make a profit from the sale of generation to customers. It's a straight pass-through charge to the consumer.

If the PUC approves our proposed rate and service changes, we expect to be able to tell customers in October what the new generation rates will be for the first quarter of 2008. While it's impossible to know exactly how much of an increase to expect, we feel safe in saying that Wellsboro Electric's residential customers should anticipate their overall electric rate to go up by at least 25 percent at the beginning of the year.

We know that this will pose a hardship for some of our customers. Please feel free to contact our office if you wish to explore energy conservation options or enroll in our budget billing program.



Craig Echer



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...In this issue

Watts behind your energy use

Board chairman passes away

Understanding watts behind your electric consumption

You are undoubtedly aware that when you flip on a light switch, fire up the electric range or hear the refrigerator running, you are consuming electricity.

You probably know that the electricity you use to illuminate your home, warm your food and cool tomorrow's leftovers is measured in kilowatt-hours. But what you may not realize is just how much electricity the various appliances and electronic devices in your home consume when they are running.

Why is this important? So you can prioritize decisions regarding electric consumption and make wise conservation choices. To reap the most out of energy-efficiency efforts, you should focus on those areas where you use the most power.

Your electric meter measures the amount of electricity used by your household based on a unit of measurement called the kilowatt-hour or kWh. A kilowatt-hour is 1,000 watts of electricity used over one hour's time. A 100-watt light bulb would have to be on continuously for ten hours to use one kWh. At WECo's charge of approximately 8 cents per kWh, that one hour of light would cost just under a penny.

Using this rate, the 100-watt

light bulb left on for 10 hours a day for a month is going to amount to about \$3 on your electric bill.

Using a 1,360-watt air-conditioner for the same amount of time will cost nearly \$33 a month. While turning off the lights every time you leave a room — or better yet, switching to extremely efficient compact fluorescent lighting — can shave dollars off your electric bill, you would get a much bigger bang for your buck by reducing the amount of hours that your air-conditioner is running.

The chart below shows some common appliances found in the home, along with the average wattage rating of the appliance, the typical number of kilowatt-hours per month the appliance would be used, and the estimated cost of operating the appliance for one month based on WECo's residential rate. Please note that these are approximations, and the actual numbers will vary due to the age and efficiency of the appliance, time or volume of use, and temperature settings.

Load	Average wattage	Estimated kWh consumed/month	Cost/month
Air Conditioner, room (5,050 Btu/hour)	520	125	\$10.00
(14,500 Btu/hour)	1360	326	\$26.08
Clock	4	3	\$.24
Clothes Dryer (5 loads per week)	5000	100	\$8.00
Coffee Maker	894	12	\$.96
Computer	170	10	\$.80
Dehumidifier	500	360	\$28.80
Dishwasher	1200	30	\$2.40
Fan-Window	200	40	\$3.20
Freezer			
Standard (15 cu.ft.)	340	134	\$10.72
Frost-free (15 cu.ft.)	440	150	\$12.00
Furnace fan (cold month)	300	130	\$10.40
Hair dryer	1000	3	\$.24
Heater – portable (3 Hrs/day)	1350	122	\$9.76
Humidifier	80	20	\$1.60
Iron	1100	11	\$.88
Lighting (5 hrs/day)			
Incandescent bulb	60	9	\$.72
Incandescent bulb	100	15	\$1.20
Compact fluorescent bulb	15	2	\$.16
Compact fluorescent bulb	25	4	\$.32
Microwave oven	1450	23	\$1.84
Range	12,000	100	\$8.00
Refrigerator-Freezer			
Standard (12-16 cu.ft.)	400	125	\$10.00
Frost free (12-16 cu.ft.)	600	165	\$13.20
Slow Cooker	200	24	\$1.92
Stereo	150	70	\$5.60
Television – Color	200	24	\$1.92
Toaster	1100	4	\$.32
Vacuum cleaner	700	5	\$.40
Washer (automatic)	600	12	\$.96
Water heater: Standard	2500	110/person	\$8.80/person
Quick recovery	4500	160/person	\$12.80
Water pump; Deep	1736	60	\$4.80
Shallow	1060	30	\$2.40

Long-time WECo chairman dies

Jay E. Haldeman of Germania, a long-time director and chairman of the board of Wellsboro Electric Co., passed away Thursday, May 24, at the Robert Packer Hospital, Sayre, Pa. He was 76.

Haldeman had served on the WECo board of directors since 1995.

In February, he had been elected to his 13th consecutive one-year term as board chairman.