

The Energy Line

Energy information for the customers of Wellsboro Electric

From the President & CEO

Ending on a positive note

What a momentous year 2008 turned out to be.

On the national level, we witnessed a meltdown on Wall Street that shook our faith in financial institutions, prompted a \$700 billion government bailout package and wrecked havoc on our personal savings plans. We saw crude oil prices hit \$100 a barrel for the first time in history in February before rocketing to \$147 a barrel by mid-July. With gasoline prices exceeding \$4 a gallon, everyone was feeling pain at the pump, and many in the Northeast were wondering how they would heat their homes this winter as prices for heating oil, propane and natural gas soared heading into fall.

And fall turned out to be a fitting name for the season. In October, the Dow Jones experienced its largest weekly decline in history – 18 percent. The silver lining: With the stock market in free-fall, a slowing economy and a global drop in petroleum demand, gas and oil prices fell to levels we haven't seen in well over a year. Which direction energy prices are headed in the weeks and month's ahead is anyone's guess.

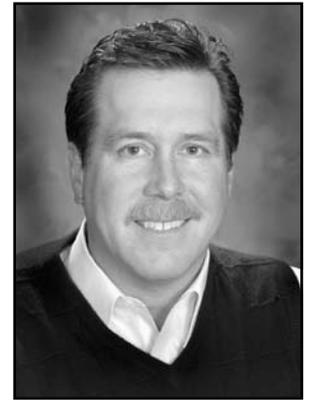
So on the eve of a new year, we are left to wonder about the future of energy costs and the impact of a new presidential administration. I think it's safe to say we can expect 2009 to bring with it a new set of challenges and change for the nation.

We did see some positive change on the legislative front in the waning months of 2008. There was a tremendous boost in federal dollars available through the Low-Income Home Energy Assistance Program, which should help struggling families across the nation keep up with their heating bills this winter.

At the state level, recently passed legislation will provide grants, tax credits and low-interest loans to homeowners who seek to reduce their energy costs through energy efficiency and conservation measures and alternative energy projects. Look for details about these programs, expected to be available in early 2009, on the state Department of Environmental Protection website at www.depweb.state.pa.us.

If you are looking for energy efficiency and conservation information, I am pleased to announce that early next year we will begin offering an online resource called the Wellsboro Electric Home Energy Suite on our website. The home energy suite includes an online home energy audit, appliance and lighting calculators, an extensive library of energy-saving information and an interactive house that shows how and where energy is used in the home and ways to use it wisely. Be sure to look for the Home Energy Suite on our website, www.wellsboroelectric.com, in January.

On behalf of all of us here at Wellsboro Electric Co., I'd like to wish our customers and their families a safe and joyous holiday season.



Wellsboro Electric

33 Austin Street
Wellsboro, PA 16901
(570) 724-3516

www.wellsboroelectric.com

Board of Directors

Thomas L. Rudy - Chairman
Alfred Calkins - Vice Chairman
James Luce - Secretary
Kevin Barrett - Director at Large
Donald Blackwell
Erick J. Coolidge
Tim Gooch
Barbara Seeley
Steve Sliwinski

Senior Staff

Craig Echer - President & CEO
Scot Boyce - V.P. of Finance
and Administration
Robert McCarthy - V.P. of
Engineering and Operations

...In this issue

New rates go into effect Jan. 1

Help with home heating costs

Craig Echer

You can help neighbors in need

In today's challenging economic climate, many local families struggle to keep up with their bills.

You can help your neighbors in need by agreeing to contribute a dollar or more each month to Wellsboro Electric's \$1 Energy Fund.

Your donations are matched by WECO, and 100 percent of the contributions are used to provide energy grants to families in our service territory.

To begin contributing to the \$1 Energy Fund, designate your contribution amount on the return stub of this month's electric bill. You may stop your donation at any time simply by notifying us in writing.

If you are currently contributing to this fund and would like to increase your donation amount, please contact us at 570-724-3516.

Decorate safely

Holiday decorations help make this a magical time of year, but they must be handled with care.

Here are some tips for using electrical products safely during the holidays:

- ★ Use lights and other electrical decorations certified by recognized, independent testing firms such as Underwriters Laboratories.
- ★ Carefully inspect each light before plugging it into a socket. Cracked, frayed, loose, or bare wires may cause a serious electric shock or start a fire.
- ★ Do not connect more than three light string sets together.
- ★ Do not overload extension cords.
- ★ Always turn off decorations before leaving home or going to bed.

New rate to take effect Jan. 1

Wellsboro Electric's quarterly generation rate adjustment for all customers and rate classes will take effect Jan. 1, 2008.

The new generation rate of 11.706 cents per kilowatt-hour (kWh) will increase the monthly bill of a residential customer using 500 kWh of electricity by \$6.52, or 8.63 percent.

The increase is largely due to higher-than-anticipated energy costs in the third quarter of 2008, which resulted in a large under-collection. Because there is typically a six-month lag in the reconciliation process, the under-collection amount has been included in the first quarter 2009 generation rate. The generation charge on your electric bill is a straight pass-through to consumers; Wellsboro Electric does not make a profit on it.

The new generation rate will be in effect on all bills rendered after Jan. 1, 2009. Please note that your electric use in December will be reflected on the January bill.

"The electricity market has been a lot like the stock market lately, with a lot of volatility and ups and downs," said Craig Eccher, president and chief executive officer. "Looking forward, we expect to see a reduction in generation costs in the second quarter of 2009."

Wellsboro Electric utilizes a portfolio strategy to meet its electric generation needs. Through this approach, the utility maintains a number of short-term generation contracts that vary in duration from two months to a year. As some of the more expensive contracts in the portfolio expired, they were replaced with lower-priced contracts in recent months.

Another factor expected to help reduce the generation charge in the second quarter is the elimination of congestion charges that were unexpectedly levied on WECO in January 2008 by the regional electric grid operator, PJM. Wellsboro Electric opted to spread out the cost of those congestion charges, \$750,000, over a 12-month period, which ends March 31, 2009.

Need help paying your heating bills?

Many households in Wellsboro Electric's service territory will struggle to keep up with energy bills this winter.

If you need help paying your heating bills, you may be able to receive assistance through the Low-Income Home Energy Assistance Program (LIHEAP), which began accepting applications Nov. 3.

Funded by the U.S. Department of Health and Human Services, the program provides energy-assistance grants to help low-income households pay their heating bills through the winter.

To receive help:

You don't have to be receiving public assistance

You don't have to have an unpaid heating bill

You can either rent or own your home

LIHEAP offers both cash grants and crisis grants. Cash grants help families pay their heating bills. If you are eligible for a cash grant, the grant will be sent directly to your utility or fuel dealer, and the payment will be credited on your bill.

Crisis grants are available to help those who have emergency situations in which they are in danger of being without heat. Those situations include: having broken heating equipment or leaking fuel lines; being without fuel; having utility service terminated; or in danger of being without fuel or of having utility service terminated.

If you have a heating emergency, or for more information about LIHEAP, call the Tioga County Assistance Office at 570-724-4051.