



# The Energizer

## *SREC Proposes Self-Regulation of Rates*

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At this year's Annual Meeting on October 18, 2008, we will be proposing a major change to the way rate increases are implemented.

For many years the rates of Steuben Rural Electric Cooperative (SREC) have been regulated by the New York Power Authority (NYPA). SREC's management and Directors examine costs and revenue on an annual basis to determine if a rate increase is needed to maintain the cooperative's financial health. Generally, this analysis is relatively inexpensive and takes only two weeks to complete. However, after our analysis is submitted to NYPA, the legal steps required for approval are more expensive and time consuming for NYPA than our analysis is for us. Because of this cost, NYPA prefers to only consider rate increases in excess of 10%.

These large rate increases preferred by NYPA forces us to estimate costs for several years into the future as a part of our rate increase requests. This means that our members must endure large rate increases that include rate increases for future years. You are paying for increases before the cooperative needs them.

Repeatedly the single most important and frequent comment at past rate hearings has been:

"Please give us small rate increases more frequently rather than large rate increases occasionally."

WE ARE LISTENING TO YOU and want to provide small rate increases (2% or less per year). Unfortunately, costs have been increasing and, although we had an increase in 2006, we need another one soon. We anticipate that we need an increase of 6% to 7% starting in January of 2009. To implement this 6% to 7% increase, we will need to include an additional 4% to meet the minimum NYPA requirement of 10%.

NYPA and SREC have been working together to enable the cooperative to increase rates in small steps. The process that we have been discussing will allow the cooperative Board of Directors to Self Regulate with respect to rates and fees. Under this Self Regulation with respect to rates, the cooperative's Board of Directors would develop a policy on setting rates and then from time to time, as needed, the Board would revise rates.

This process is allowed because the NYS Rural Electric Law requires no regulation of rural electric cooperatives. Our regulation is a result of our contract with NYPA for low cost Niagara hydropower.

The advantage to members if we self regulate is that rate increases will be small and only when needed.

NYPA and SREC agree that this is a major step and should be done only with member approval. We will be presenting the resolution on the reverse side of this page at the annual meeting for approval. We will also be holding informational meetings in Bath on September 3, 2008, at the Bath Fire Department and in Cherry Creek on September 4, 2008, at the Cooperative office. Both meetings will be held from 4:00 pm to 6:00 pm.

At the informational meetings we will present details on why we want to do this and how it is possible. We will have a copy of the policy the Board intends to follow on rate increases at these meetings.

**Continued on Page 2**

### Closings

September 1, 2008

October 13, 2008



## Self-Regulation of Rates *Continued from page 1*

The resolution will require approval of a majority of those present and voting to pass. It is not a Bylaw change.

changed at the Annual Meeting if amendments are offered at the meeting.

The Management and Directors strongly believe that Self Regulation will be beneficial to you as members. We look forward to talking with you about self regulation at the informational meetings in September and at the Annual Meeting in October.

IF THIS PROCESS IS APPROVED AND FUTURE EXPERIENCE SHOWS THAT IT DOES NOT WORK FOR THE MEMBERS, ANOTHER VOTE CAN BE TAKEN TO RESCIND SELF REGULATION AND RETURN TO REGULATION BY NYPA.

See Page 4 and 5 for Resolution and Board Policy on Self-Regulation.


**Reminder**  
**October 18, 2008**  
**SREC**  
**Annual Meeting**

### **WE VALUE YOUR OPINION ON THIS ISSUE.**

The resolution can be modified before the Annual Meeting based on the comments we receive at the informational meetings. It can also be

## *Congratulations!*

Mary Ann Fountain won the High Pressure Sodium Pole Light donated by Steuben REC for the 2008 Steuben County Dairy Festival.

**Energy Efficiency**  
*Tip of the Month*

Choosing an Energy Star-qualified clothes washer over a standard model can lower your utility bills and save energy and water without sacrificing performance.

Source: U.S. Dept of Energy

### **Non-Discrimination Statement**

“USDA is an equal opportunity provider, employer and lender”. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington D.C. 20250-9410, or call (800) 795-3272 (voice), (202) 692-0107 (TDD), or (202) 692-0279 (Fax).

## The Trading Post

### For Sale

Trapping supplies, Mountain Top Trapping, Jerry Gamet Emerson Rd Bath, NY.

Frigidaire 40" Dual Fuel Gas Range, electronic pilot-less ignition, gas on ceramic glass cook top, converts to either propane or natural gas, excellent condition, used very little. Asking \$1,500 OBO.

Trapping Supplies, Grandview Fur Center, Bill Bowdoin, Bradford, NY.

Jug puppies (pug/jack russell mix), born 6/30/08, will be ready for new homes the second week of August, two females and two males. \$250.00 each.

F2-Allis Chalmers Gleaner Combine, 4 row, corn head, diesel, great running condition, stored inside. Asking \$5,000.

1979 Bronco, 351m, runs great, plow, spare, c6 trans and transfer case, front and rear differentials.

2006 GMC Envoy, 1/2 Ton-I6 Utility 4D SLE, 4WD, 30k, 6

cyl, 4.2 liter, auto, gray. Offered below NADA pricing at \$16,500 with remaining warranty.

1995 Innsbruck Camper, excellent condition, new brakes, CD/Radio, AC, Microwave oven, awning, sleeper sofa and 1 bedroom. Asking \$6,000; 1967 Stari Boat in good condition. Asking \$450.

Hungarian Vizsla Pointers, 2 beautiful males, excellent temperament, great family/bird dog, AKC, OFA, dewes, tails, shots, parents on premises. \$600.

1999 S-10 4D Blazer, black, luggage rack, tinted windows, newer tires, everything works, 4WD, AC, EW/L, 4.3 Liter 17-20 mpg, 173K miles, VGC, no off road miles. Asking \$2,900 OBO.

600 Concrete Pavers to build a sidewalk or patio area, \$250 OBO; Evenflow Infant/Baby Stroller and Car Seat w/base, \$50.

### Wanted

Raw Fur and Deer Hides. Grandview Fur Center, Bill Bowdoin, Bradford, NY.

### For Rent

Storage Space for Motorcycles, Cars, Snowmobiles, Small Boats, etc.

### Miscellaneous

CROP DAMAGE!!! Coon in your crops? Looking for local areas to run my coon dogs. P.S. Will not beg to hunt deer, Just want the coon! Send your ad to:

Steuben REC, Inc.  
C/O Cindy Hayes  
9 Wilson Avenue  
Bath, NY 14810  
or email to:  
chayes@steubenrec.com by  
September 5th for the  
October edition.



A Free Service to Our Members!

# Niagara Hydro Plus Program

Steuben REC is offering the **Niagara Hydro Plus Program** based on the resounding positive responses we received from you to the renewable energy survey. This is part of SREC's ongoing commitment to making clean and renewable energy more accessible. You can now choose to support 100% renewable energy directly through your Steuben REC monthly bill. Contact SREC at 1-800-843-3414 for more information or to sign up today.

# STEUBEN RURAL ELECTRIC COOPERATIVE, INC.

## Resolution of the Cooperative Membership

### Self-Regulation With Regard To Rates

October 18, 2008

**WHEREAS**, the members of Steuben Rural Electric Cooperative, Inc. would prefer frequent smaller increases to infrequent large increases; and

**WHEREAS**, the members of Steuben Rural Electric Cooperative, Inc. would propose that the New York Power Authority modify its power contract with Steuben Rural Electric Cooperative, Inc. to allow the Directors of Steuben Rural Electric Cooperative, Inc. to determine the rates for electric service and fees (self-regulation) from time to time under the following conditions:

- a.) The decision to self-regulate is to be made based on a majority of the members voting affirmatively at the Annual Meeting pursuant provisions of the Cooperative's bylaws;
- b.) Steuben Rural Electric Cooperative, Inc. would be subject to audit and reporting requirements by the New York Power Authority confirming that the value of New York Power Authority power purchases are flowing to its membership;
- c.) Steuben Rural Electric Cooperative, Inc. will self-regulate for rate making and fee related purposes. All other regulatory functions would remain regulated by the New York Power Authority;
- d.) The New York Power Authority would remain as a "backstop" entity to address customer complains that cannot be resolved by Steuben Rural Electric Cooperative, Inc. management and Board of Directors;
- e.) Self-regulation with regard to rates may be rescinded by the membership by a majority vote of the members attending a duly called annual or special meeting of the members;

**WHEREAS**, Steuben Rural Electric Cooperative, Inc. has actively communicated to its membership the reasons for and the implications of self-regulation in preparation for the Annual Meeting; and

**WHEREAS**, Steuben Rural Electric Cooperative has held two public information meetings, one at each office, where the requirements and considerations of self-regulation were reviewed; and

#### **NOW THEREFORE BE IT**

**RESOLVED**, that the membership of the Steuben Rural Electric Cooperative, Inc. requests the New York Power Authority modify existing contracts between the parties to permit Steuben Rural Electric Cooperative, Inc.'s Board of Directors to evaluate the costs and set rates for electric service and fees to all of its members.

#### **CERTIFICATION**

I, Joseph J. Hauryski, Secretary of the Steuben Rural Electric Cooperative, Inc. Board of Directors, do hereby certify that the above is a true and correct excerpt from the minutes of the October 18, 2008 Annual Meeting of the Steuben Rural Electric Cooperative, Inc., at which meeting a quorum was present; and I further certify that the vote of the membership was a majority of those present and voting at the October 18, 2008 Annual Meeting.

## *Self-Regulation Proposed Policy*

Steuben REC, Inc.  
Proposed Policy 218  
Self-Regulation

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### Policy

The Board of Directors can act by a majority vote to change the rates and rate schedules offered by the cooperative under the following procedures:

If the rate change is equal to or less than a 2 percent increase for the typical (1000kWh per month) Schedule 1 (residential and farm) member, then the rate increase can be implemented on the first of the month immediately after it is announced in *The Energizer* newsletter which will be included in the members' bill. It will be the customary practice, but not required, to announce the increase in the January bills. This will be a special edition of *The Energizer* for this purpose. The customary, but not required, increase date will be April 1, after the winter heating season. If in the judgment of the Board increases are needed at other times and under more immediate conditions, the customary announcement shown above will revert to the more rapid, required notice as detailed above.

If the rate increase is greater than 2 percent for the typical Schedule 1 member, then the Board will hold hearings (one at the Bath Office and one at the Cherry Creek Office) for members and incorporate comments at the hearings in their decision to increase rates. The hearings shall be announced in the official newspapers, as designated by the Board and in *The Energizer*. The announcements in the official newspapers shall be made at least 10 days, but not more than 21 days before the hearing. After the hearings the Board shall determine the increase and announce the increase in *The Energizer* to be effective on the first of the month immediately following the announcement.

Fees for services that are contained in the Schedule of Fees may be increased by the Board from time to time and will be effective upon announcement in *The Energizer*, to be effective on the first of the month immediately following the announcement.

This policy shall be reviewed annually by the Governance Committee.

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"Owned By Those We Serve"

## *Cars and Power Lines*

If your car comes in contact with a power line, a state of panic may set in. Try to stay calm and follow these tips:

You should remain inside your vehicle. If you are in your car, you are not part of electricity's path, which always looks for the shortest way to the ground. Honk your horn to alert passersby.

If someone stops to help, roll down the window and warn them not to touch the car or the power line. Ask them to phone 911 and contact the local electric utility immediately.

Wait in your car until qualified electrical workers turn the power off and tell you it's safe to leave the car.

If you have to leave the car because of fire or other danger, open the door and jump away from the vehicle so no part of your body touches the vehicle and the ground at the same time. Make sure to jump with both feet together so that your feet land on the ground at the same time.

After you land with both feet together, shuffle away, keeping both feet in contact with the ground constantly.

Do not try to help someone from the vehicle. If you do, you may become a path for electricity and be injured or killed.

Source: National Weather Service

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## *Protect Your Older Home from Electrical Hazards*



Source: GFCI

According to the Electrical Safety Foundation International (ESFI), half of all homes in the United States were built before the advent of automatic coffeemakers or garage door openers, and one-third were built before hair dryers or electric can openers. Add to that computers, cell phones, and other electrical devices, and you have a great many residences with potential electric wiring problems.

Research from ESFI shows that faulty or overloaded wiring accounts for an estimated 67,800 fires, 500 deaths, and more than 2,000 injuries each year, and a whopping \$868 million in property damage. By educating yourself about common hazards in older homes

and installing lifesaving electrical safety devices, these risks can be reduced greatly.

The lifesaving technology available includes:

AFCIs—an outlet that recognizes fire hazards and immediately shuts off power.

GFCIs—an outlet that senses when water comes into contact and cuts out to prevent electrocution.

Tamper-Resistant Outlets—designed to protect children from inserting small objects into them.

In addition to installing the technology above, here are some additional safety tips:

Make sure functioning smoke alarms are installed on every

floor and in every sleeping area.

Look for telltale signs of electrical problems such as dimming lights, frequent circuit breaker trips, or blown fuses.

Limit use of extension cords, particularly cords used to power room air conditioners.

Use light bulbs that are the proper wattage for a fixture; higher wattage bulbs can degrade wires.

Source: ESFI; Consumer Product Safety Commission