

Sullivan County Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 
The power of human connections®



Membership Handbook

Mission Statement

Sullivan County Rural Electric Cooperative, Inc. will provide safe, dependable electric energy and related services to its members in an environmentally sound and fiscally responsible manner.



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WELCOME TO THE CO-OP

Sullivan County Rural Electric Cooperative, Inc. (REC) would like to welcome you to the Cooperative.

Sullivan County REC was organized in 1936 to provide electric service to rural areas in and around Sullivan County. Today the Cooperative serves nearly 6,000 consumers in Sullivan, Lycoming and southern Bradford Counties. Members are nearly equally split between Sullivan and Lycoming Counties with approximately 200 members in Bradford County.

Approximately 56% of members are residential, 38% are seasonal and 6% are commercial. The Cooperative maintains over 930 miles of line with 19 employees based in Forksville.

We hope this handbook will help acquaint you with Sullivan County Rural Electric Cooperative, Inc. If you have any questions please call our office at 570-924-3381 or 800-570-5081. You can also e-mail us at screc@epix.net or write us at PO Box 65, 5675 Route 87, Forksville, PA 18616-0065. Check out our web page at www.screc.com or our Facebook page at "Sullivan County Rural Electric" for additional information and up-to-date news.

WHAT IS A COOPERATIVE?

The Cooperative form of business is unique and has existed for over 150 years. Cooperatives are part of our everyday life from Associated Press and Agway to Diamond Walnuts and Sunkist. There are nearly 900 electric cooperatives in the United States serving more than 42 million people.

Cooperatives differ from private companies in there is no stock and no stockholders. By being a consumer of Sullivan County Rural Electric Cooperative you are a member and an owner and entitled to attend the Annual Meeting, vote for directors and vote on any issues before the membership.

Prior to the formation of electric cooperatives very few rural areas had central station electric service. The formation of non-profit cooperatives along with low-interest federal loans made it feasible to extend electric power to rural areas.

Cooperatives were formed by people wanting electricity after private power companies failed to utilize the low interest federal loan program to extend electric service into rural areas. Since 2001, Sullivan only borrows from the National Rural Utilities Cooperative Finance Corporation (a cooperative owned bank).

Today rural electric cooperatives still serve only 7.4 consumers per mile of line nationally compared to the typical power company having 30-40 consumers per mile. Sullivan has 6.3 consumers per mile.

DIRECTOR DISTRICTS

Your Cooperative is governed by a nine member Board of Directors elected from geographic districts. Three directors are elected each year and serve three year terms. The Board of Directors are responsible for setting rates and policies, approving budgets and hiring a CEO to manage the day-to-day operations.

The nine director districts are shown on the map below. Note that while directors are elected from geographic districts they actually represent all Cooperative members. In fact all members can vote on all director positions up for election. Director elections are held via a mail ballot.



CAPITAL CREDIT REFUNDS



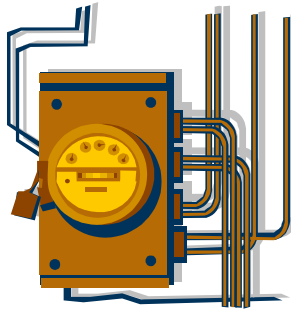
Your Cooperative is a non-profit corporation organized under cooperative laws of Pennsylvania. As such, revenues in excess of expenses are called margins and must be allocated back to each consumer-member who contributed revenues that year.

The allocation is based upon the total dollar amount of electric bills paid by the member for that year. Therefore, each member's allocation is different and varies based upon their electric bills.

The allocation of margins is done each spring following the audit of the previous year. At the same time, the Board of Directors reviews the financial condition of the Cooperative and determines if a return of these margins (called a capital credit refund) is feasible.

These allocations and returns are a unique way of doing business and illustrate the cooperative difference.

METER READING & BILLING



Automatic Meter Reading (AutoRead)

Your Cooperative is in the process of replacing mechanical meters with automatic meter reading (AMR) meters. These special meters send the meter reading to the office over the power lines.

Billing

Billing is done on a monthly basis for all consumers (note—some seasonal accounts are still in transition to monthly billing). Bills are mailed out around the fifth of each month and are due by the twentieth of the same month. A one time 5% penalty charge is added to all accounts for payments received after the twentieth of the month.

E-Mail Bill (Paperless Billing)

Many consumers are receiving and paying their bills on-line. You may elect to receive an e-mail bill and/or pay using one of the AutoPay methods listed below.

Please consider signing up for the email bill at www.screc.com. You may change back to a paper bill at any time using your on-line account. There are no charges for an email bill or paper bill.

Automatic Bill Payment (AutoPay)

There are no charges for using AutoPay services.

Via On-Line

You may pay your bill on-line by signing up for a free on-line account at www.screc.com. Pay your bill on-line at your convenience using your bank account or with one of the three major credit cards. A bill is still generated around the fifth of the month.

Via Bank

You may pay your bill automatically by having the Cooperative deduct the payment from your bank account. Either a checking or savings account may be used. A bill is still generated around the fifth of the month so you know what amount will be deducted on the twentieth of the month.

Via Credit Card

You may also pay your bill automatically by using your VISA, Master Card or Discover credit card. Set up an on-line account if you would like to use your credit card to pay your bill. A bill is still generated around the fifth of the month so you know what amount will be charged to your credit card on the twentieth of the month.

On-Line Account

An on-line account can be a handy reference. You can view your account information and your billing and payment history. It also allows you to select paperless billing and pay your bill on-line. To sign up for your free on-line account go to our web page at www.screc.com and follow the instructions under the Manage Account icon.



SPECIAL SERVICES

Budget Billing

Budget billing is offered to help levelize bills to all residential members who have been active members for more than one year and have electric heat or other high seasonal usage equipment. The member must continue to submit payments by the twentieth of each month to avoid penalty charges.

Energy Audits

A telephone energy audit is available from the Cooperative for those consumers with high electrical usage or for those wishing to make changes and improvements in their home.

We will be glad to help you make informed decisions concerning insulation levels, weather stripping, home heating and cooling, and water heating.

On-Line Energy Use Information

Sullivan County REC has energy use information on its website that allows you to model changes in your home and see how they would affect your usage. Connect to the site by going on our website at www.screc.com clicking on the Energy Efficiencies tab, the Together We Save link and Energy Savings Home Tour.

Security Lighting

Two different size lights are available. They are installed on a pole and wired so the electricity does not pass through your meter. A high-pressure sodium light (yellow colored) costs \$13.51 per month while an LED light (white colored) costs \$15.45 per month. The Cooperative supplies the electricity and maintenance for this monthly fee.

Generator Switches

Need to connect a generator? The Cooperative will install a switch behind your meter that connects your generator to your home. The switch will carry 30 amps of generator power and it comes with a removable cord that plugs into the switch and your generator. The cooperative sells these at cost (\$583.00 tax included). A 40 amp version is also available for an additional \$100.

Water Heaters

Water heaters are available at cost through the Cooperative for use in your home. Two sizes are available, 50 gallon (\$340.26 tax included) and 80 gallon(\$624.34 tax included). If you allow the Cooperative to install a load control receiver on your water heater (see the load management section below), you will receive a \$2 per month credit. The Cooperative does not install or maintain hot water heaters.

Time-of-Use Billing

Time-of-use billing is available for those who can lower their usage during on-peak times and use more during off-peak hours. Energy sold off-peak is discounted while on-peak energy is more expensive than the standard rate.

Electric Thermal Storage

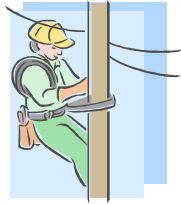
The Cooperative has an Electric Thermal Storage (ETS) program with a special rate. ETS units heat bricks during off-peak times and the savings are passed along to you.

To be eligible for this lower rate you must install a second service panel and a second meter. This second service will be used to heat the ETS units and will be interrupted during peak times.

Load Management

Save \$24 per year by allowing the Cooperative to install a load control receiver on your electric water heater. Our load management system shuts off water heaters and ETS units during peak times in order to avoid expensive demand charges. We will place you in an appropriate group so you should not notice your water heater being controlled.

The system works very well and saves thousands of dollars each year. Many consumers have signed up for this program. We ask that you consider joining this valuable program to help hold down the cost of power and your electric bill.



IN CASE OF AN OUTAGE

If an outage occurs first check your panel box. The problem may be as simple as a tripped main breaker. Next, call us on our 24-hour outage number, 570-924-3418 or 800-596-8397. Someone is available to answer your call 24 hours a day, seven days a week. We will dispatch a crew to restore power to you as quickly as possible.

Your outage call may be answered by an outage reporting system which takes calls faster to avoid busy signals and sorts calls to speed up trouble-shooting.

The outage reporting system uses Caller ID so you shouldn't need to enter your telephone number. If necessary enter your phone number when asked by the outage answering system. If you know a possible cause of the outage please leave a message beginning with your name and telephone number.

Please leave your name and telephone number first before leaving any other message. Please keep your telephone number current so your outage call will be handled correctly.

Sullivan County REC will continue to do all we can to prevent outages and to restore power as quickly as possible in the event an outage does occur. Thank you for your patience and understanding during the time of an outage.

Planned Outages

In the case of a planned outage we will contact you a day ahead using an automated system which calls the phone number we have for you on file and leaves a message. Please keep your phone number up to date so you can receive planned outage calls.

CO-OP OWNERS FOR POLITICAL ACTION



Maintaining an active grassroots role in the political process is critical if electric cooperatives are to continue providing reliable and affordable electric service.

As a consumer owner you have the privilege of participating in the political affairs of your cooperative. That includes your unique right to make financial contributions to the campaigns of candidates for political office who support your electric cooperative.

Please consider joining the only non-partisan political action committee that represents the interests of the nation's electric cooperatives and their consumer members. You may join for as little as \$2.08 per month.

If you are interested in this program, please contact Diane White at the Sullivan County REC office at 570-924-3381 or by email at de.white@frontier.com.

SAFETY

The Cooperative is very concerned about your safety. If you ever encounter a downed power line do not pick it up or move it. High voltage overhead power lines are not insulated. Any contact with overhead lines in the air or on the ground could cause serious injuries or death.

Some electric lines are buried. Always call 811 before you dig. Any contact with an underground line could cause serious injuries or death.

If you have a generator you must make sure it does not back feed into the electric system which could injure or kill linemen working on the line. You will be liable for any damages caused by an improperly connected generator. The Cooperative sells generator switches or you can have one installed by an electrician.

ASSOCIATED ORGANIZATIONS

National Rural Electric Cooperative Association (NRECA)

NRECA is a national association located in Washington D.C., created and supported by the nearly 900 electric systems from across the nation.

NRECA is a service organization which provides the following services:

- Acquaints national legislators with rural electric issues.
- Provides programs in management training, insurance benefits and advertising.
- Acts as a center for gathering information and sharing information with cooperatives throughout the United States.

NRECA is also involved in overseas projects by assisting in the development of rural electric systems in other countries.

National Rural Utilities Cooperative Finance Corporation (CFC)

CFC is a non-profit cooperative institution in Dulles, VA which provides rural electric systems with a source of capital financing. CFC is owned by its nearly 900 members across the nation and governed by a Board of Directors from cooperatives in various geographic regions.



Pennsylvania Rural Electric Association (PREA)

PREA is a statewide association located in Harrisburg, created and supported by the thirteen rural electric cooperatives in Pennsylvania and the one in New Jersey. The purpose of PREA is to provide safety and job training, technical, legal, communications and legislative assistance to the cooperatives. PREA is governed by a Board of Directors made up of one board member from each PA/NJ cooperative.

PREA also publishes a monthly magazine called Penn Lines. Sullivan County REC provides local information in each issue of Penn Lines.



Allegheny Electric Cooperative, Inc. (Allegheny)

Located in Harrisburg, Allegheny is owned by the thirteen rural electric cooperatives in Pennsylvania and the one in New Jersey. Allegheny acts as power supply agent for the cooperatives by owning power plants and buying power from other suppliers. Each cooperative selects one board member to serve on the Allegheny Board of Directors.

Allegheny is the sole owner of the William F. Matson Generating Station, a hydroelectric facility on Lake Raystown. In addition, Allegheny owns 10% of the Susquehanna Steam Electric Station (a nuclear power plant located in Berwick, PA).

CONTACT US



Office Hours

Monday-Friday 7:00 a.m. - 3:30 p.m. (except holidays)

Phone Numbers

Office: 570-924-3381
800-570-5081

Office number answered during normal office hours only.

Outage: 570-924-3418
800-596-8397

Outage numbers answered 24 hours a day / 7 days a week

E-mail & Web Site

E-mail: screc@epix.net
Website: www.screc.com
Facebook: Sullivan County Rural Electric

Address

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Forksville, PA 18616-0065