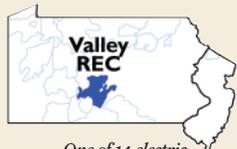


Valley Rural Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

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Monday - Thursday
7 a.m. - 5:30 p.m.

OUTAGES & EMERGENCIES

1-800-432-0680

FROM THE CHAIRMAN OF THE BOARD

Co-op members remain shielded from rate cap removal



by James Stauffer
Chairman of the Board

THE MOST common question that folks have been asking me with regard to the co-op is, “What will happen to our electric bills when the rate caps come off?”

For Valley Rural Electric members, the answer to that question remains a resounding “Nothing!”

Electric co-ops have a board of directors (co-op members elected from the

membership) that establishes rates. The co-op is a not-for-profit, self-regulating business, and because of sound financial decisions made over the past 30-40 years, we have never been in a position where we needed rate caps to protect us from paying too much for electric service. We never had a rate cap; therefore, we will not be affected by any rate cap removal.

Let me explain further.

Caps on electricity prices for consumers of private power companies were put in place after the state passed the Energy Competition and Customer Choice Act in 1996. As part of the transition to competitive power generation, also known as deregulation, legislators and private utilities reached an agreement by which consumers would pay billions of dollars to utilities for their power plant investments and for the cost of purchasing power from other generators. In exchange, private utilities promised to cap rates for generation service during the transition period.

At the time, many of these companies decided to sell their ownership in generation facilities in the hope that they

would profit by purchasing power on the open market. Unfortunately, electricity — like other market commodities, such as oil, coal and natural gas — kept getting more expensive. With market prices soaring and rate caps in place, private power companies started losing money hand over fist.

Now, as the caps are being removed, these utilities are working to recoup some of their wholesale power costs. And that translates into bigger bills for customers.

In the 1990s, when private utilities were dumping their ownership in generation facilities, Pennsylvania’s co-ops held onto their generation facility investments. And over the years, those investments have helped shield us from the volatile price swings of the open market. You might be surprised to learn that, through Allegheny Electric Cooperative, Valley owns more than 70 percent of its electric generation (all of which is carbon free), meaning we need to purchase less than 30 percent of our supply from the market. And that translates into more stable rates for co-op consumers like you and me.

In last year’s annual report, I wrote, “I hope you feel as privileged as I do to be associated with Valley Rural Electric ... your board is confident that the co-op is in a healthy financial position and is working hard to provide unsurpassed customer service.” With a better understanding of rate caps and the fact that co-op members don’t need to worry about them, I’m sure you can agree that my comments in that report weren’t just lip service. ☀

Holiday Reflections

BY SUSAN R. PENNING
Director of Member Services

Yuletide celebrations brought 'wow' factor to co-op country

In the weeks before Christmas, many businesses served by Valley Rural Electric were bustling with activity as employees lured guests and patrons by offering spectacular holiday entertainment, yummy treats and irresistible gifts.

BELOW: Kathy Phoenix, owner of Garden Treasures gift shop near McVeytown, Mifflin County, wraps presents for a patron.



INN PHOTOS BY STEPHANIE FISHER

ABOVE: Local concert pianist Jillian Brewer offers entertainment Dec. 12 at the Inn at Solvang located north of Huntingdon. The inn (also featured at right) is a favorite stop for visitors on the Holly Trail Home Tour, organized by the United Way of Huntingdon County.



ABOVE: At the Walnut Cheese Nook in Juniata County, baker Lydia Stoltzfus busily prepares racks of Christmas cookies to be sold in the shop along with brimming holiday baskets and other delectable packages.

LEFT: Harpist Lynda Kuckenbrod of Moodshadow Harp Therapy plays Christmas music during a holiday open house Dec. 7 at the Raystown Lake Visitors Center near Hesston, Huntingdon County.

SAFETY MESSAGE

Control your canines

BY SUSAN R. PENNING
Director of Member Services

MANY PEOPLE perceive dogs as gentle, devoted creatures that live to serve and rescue. But beneath that soft fur is a predatory hunter. Domesticated or not, dogs live by their instincts. And these instincts may tell them to chase prey, guard their territory, protect their young and defend themselves when cornered.

The Centers for Disease Control and Prevention estimate that more than 4.7 million people are bitten by dogs each year. And 1,000 Americans per day are treated in emergency rooms as a result of dog bites. Tragically, children and the elderly are the most frequent victims.

Statistics also show that more than 16,000 workers are treated each year for dog bites that occur while on the job — mail carriers and utility workers are common victims. In fact, dog bites accounted for more than one-third of all U.S. homeowner insurance liability claims paid out in 2009.

Whether you have recently become a dog owner or if you've always had a pet or two, remember that caring for an animal is a great responsibility. In order to

keep yourself out of legal hot water and, more importantly, to keep your family and those who visit your property safe, you must properly train — and restrain — your dogs.

When Valley work crews visit member homes or businesses to make necessary repairs or perform routine inspections, they often report encounters with dogs that are unrestrained and appear visibly agitated by the presence of strangers. Most times, these animals mean no harm; they're just excited to see (and smell) a new face. But sometimes accidents happen, and employees are unnecessarily put in harm's way.

In the past few months, two Valley line workers were bitten by dogs while doing work at members' properties. One victim required hospital care and had to undergo a series of painful rabies vaccination shots.

As with other utilities, the cooperative's policy requires that members provide access to their homes and properties so that Valley personnel can do their jobs. Animals, debris, trees or shrubs, even home additions must not hinder passage to electrical equipment, such as meters, utility poles, or area lights.

If you allow your dog to roam freely, it's possible that you are endangering not only Valley employees but members of your community as well. If your dog demonstrates any dangerous behavior, you may face a legal battle that could cost you your savings account or even the custody of your pet.

For the sake of Valley employees and the safety of your neighbors, please keep your dog inside your house, inside a fence, or attached to a leash so it cannot bite or attack anyone. Most co-op workers are pet lovers, so they certainly aren't afraid of a ferocious bark. It's the biting that hurts. 🐾

NOTE: Valley is currently reviewing its policy of holding members responsible for unrestrained pets that cause injuries to utility workers. The co-op will prosecute violators to the fullest extent of the law.



STOCK PHOTO

HARMLESS?: Beneath their furry exteriors, all dogs live by instincts that may tell them to chase prey, guard their territory, protect their young and defend themselves when cornered.

PENNSYLVANIA'S DOG LAWS

1. All dogs 3 months of age or older must be licensed. Licenses are issued by the county treasurer.
2. All dogs must be under control and may not be allowed to run at large. Dogs are personal property and owners are responsible for damages caused by their dogs.
3. It is illegal to mistreat or abuse any animal. Violations should be reported to the local humane organization or police.
4. You may not place any poison or harmful substance in any place where it may be easily found and ingested.
5. It is illegal to abandon or attempt to abandon any dog. Fines for abandonment range from \$300 to \$1,000 plus court costs.
6. No dog under 7 weeks old may be bartered, traded, sold or transferred.
7. You must have a current kennel license if you operate a kennel that keeps, harbors, boards, shelters, sells, gives away or transfers a total of 26 or more dogs in any one calendar year.
8. It is illegal to interfere with an officer or employee of the Pennsylvania Department of Agriculture engaged in the enforcement of dog laws.

Information from the Pennsylvania Bureau of Dog Law Enforcement



HALT: Huntingdon district lineman Adam Atherton checks his truck for dog repellent. While on the job recently, Adam sustained dog bite injuries that landed him in the hospital and forced him to undergo a series of painful rabies vaccination shots.

Meet your employees

BY SUSAN R. PENNING
Director of Member Services

HIGHLIGHTED IN THIS COLUMN is a recent addition to the Valley REC team, John Fogelsonger. John came to the co-op last May, working full time as a lineman in the Huntingdon district.

John's main responsibilities include installing, removing, maintaining and repairing electric overhead and underground equipment.

"I also respond to outages around the clock as needed whenever I'm assigned to trouble call duty," he adds.

John came to Valley with experience in line work. He was previously employed for three years with a local electrical workers union. While there, he went through a rigorous training program that included attending weekend classes, studying technical manuals, taking tests



John Fogelsonger

and logging on-the-job training hours.

His line work also took him to places like Kentucky, New York, Pittsburgh and Philadelphia. And he helped to bring

on-line the large wind farm operating in the Somerset/Johnstown area.

Before coming to the co-op, John received training in basic lineman duties, climbing, and transformer and substation work. Since joining the co-op family, he's added rubber glove and hot stick training to his repertoire.

A 2006 graduate of Southern Huntingdon County High School, John grew up in Three Springs. He is the son of John Fogelsonger of Orbisonia and Lisa Fogelsonger of Three Springs. John has two brothers: Derrick Bridenstein and Ben Scott, both of Three Springs. He also has two sisters: Natasha Fleming of Shade Valley and Cortney Fogelsonger of Three Springs.

In his spare time, John enjoys hunting and spending time with family and friends. His goals are to complete the co-op's apprenticeship program and further his education and experience.

"I'd also like to have a family of my own someday," he adds.

John's fellow co-op employees look forward to working with him for a long time. He's one of the people you can count on. 🌟

Reserve your seat!

2011 Valley Rural Electric Cooperative District Nominating Meeting Dinners

- | | |
|------------------|---|
| District 1 | 6 p.m. Feb. 7 |
| | <i>Morrison's Cove Memorial Park</i> |
| District 3 | 6 p.m. Feb. 8 |
| | <i>Marklesburg Fire Hall</i> |
| District 5 | 6 p.m. Feb. 10 |
| | <i>Shavers Creek Community Building</i> |

Don't miss the opportunity to choose candidates for Valley REC's board of directors and to share a meal with your fellow co-op members.

Return your reservation card today.



Statement of nondiscrimination

In accordance with federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, gender, religion, age or disability. (Not all prohibited bases apply to all programs.) To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue SW, Washington, DC 20250-9410, or call 202/720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.