

**CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA.**

Consumer Education Plan
2008-2012



Overview

Implementation of Pennsylvania's Electricity Generation Customer Choice and Competition Act was phased in across the commonwealth over a three-year period beginning Jan. 1, 1999.

Citizens' Electric Co. (Citizens'), an electric distribution company (EDC) that provides electric service to approximately 6,700 customers in Union County, Pa., was among the first EDCs in Pennsylvania to exit its generation rate cap, doing so in 2001. In the ensuing years, Citizens' customers have experienced relatively stable generation rates. Citizens' entered into a long-term generation contract with Reliant Energy in 2003 that locked in favorable generation rates for Citizens' customers for a four-year period. That contract expires Dec. 31, 2007.

To date, the competitive market has not developed in the region of Pennsylvania served by Citizens'; there are currently no Alternative Generation Suppliers offering generation supply to Citizens' customers. As the default generation service supplier, Citizens' has been committed to securing generation supply at the best price possible for its customers. On Jan. 1, 2008, Citizens' will begin utilizing a portfolio approach to procure its generation supply. The Pennsylvania Public Utility Commission has approved this default service energy-supply plan through 2010. Going forward, Citizens' will be purchasing power at market rates, which are considerably higher than they were four years ago when Citizens' last entered into a long-term contract. For the past 18 months, Citizens' has strived to educate its customers of all rate classes about the pending generation rate increase. We have utilized a variety of traditional consumer education tools to communicate this message. Those tools are outlined within this Consumer Education Plan.

Citizens' Electric's Consumer Education Plan for 2008-2012 calls for a continuation of these outreach efforts, with additional emphasis planned in the areas of community outreach and conservation education. Because we already have tools in place to communicate this additional information, costs to implement Citizens' Electric's Consumer Education Plan can be considered recovered in current rates. We wish to retain the right to reconsider cost recovery in the future in the event that there are changes to our Consumer Education Plan and/or its means of implementation.

Consumer Education Programs

Citizens' Electric has used a variety of consumer education tools and activities to keep customers informed about rates, conservation options and programs available for low-income customers. Going forward, we plan to continue our consumer education efforts in much the same manner as we have done since the early days of Customer Choice.

Residential customer newsletter

Citizens' Electric produces a customer newsletter that is mailed to all customers two times a year. While all customers receive with this newsletter with their electric bills, the target audience is the residential class. This publication typically provides information related to conservation tips, budget billing, energy assistance, electrical safety, and appliance use. In addition, news pertaining to electric rates and system improvements are featured prominently in this newsletter. We have been informing customers about our plans for default service plan and the potential impact on rates via the customer newsletter since the spring of 2006. We plan to continue using this vehicle to educate customers about Citizens' Electric's rates, conservation and energy programs, and system projects for the duration of this Consumer Education Plan..

Commercial customer newsletter

Commercial and industrial customers are eligible to receive *Quest Line*, an online newsletter produced by an outside consulting agency. The newsletter, which is either faxed or e-mailed to any commercial or industrial customer who enrolls, contains information aimed at helping businesses improve operational efficiency and effectiveness. The newsletter is offered at no charge to the customer; however, *Quest Line* does charge Citizens' an annual fee, which is absorbed in the rates.

In addition, those businesses that enroll can utilize free consulting services from the staff at *QuestLine*. Commercial and industrial customers are encouraged to contact our key accounts representative with questions regarding rates or services offered.

Breakfasts meetings with large C&I customers

Citizens' Electric hosts breakfast meeting for its industrial and large commercial customers. During these gatherings, called Power Breakfasts, company officials provide updates on system improvement projects, reliability issues, and rates. At the most recent Power Breakfast, held in June 2007, company CEO Eric Winslow discussed Citizens' power supply contract status and provided customers with projections of where generation rates were headed after expiration of the utility's contract with Reliant. We plan to continue conducting Power Breakfasts.

News Releases

Prior to any changes to its generation rate component, Citizens' Electric disseminates one or more news releases to the local media. These news releases have traditionally provided information about the contractual arrangements Citizens' has made for power supply, as well as specific details about the rate increase, the reasons behind it, and its impact on a typical residential customer's bill. News releases will continue to play a vital role in our future communication efforts. Under terms of Citizens' new default-service plan, the generation rate will be adjusted quarterly. We will communicate these increases via news releases and bill notices.

Community Outreach

Citizens' staff is available to provide presentations to community groups and organizations seeking information about energy conservation, customer assistance and electric rates. We will be placing additional emphasis on promoting this service to school-age groups, senior citizens, service clubs and low-income residents. We also plan to strengthen our partnership with SEDA-COG, our regional council of government, in the areas of conservation, energy audits and weatherization.

Website

As part of our Consumer Education Plan, we plan to revamp our website, www.citizenselectric.com to improve content related to energy conservation and efficiency. We plan to offer conservation tips on the website, as well as links to sites that deliver energy conservation and efficiency information.

CFL promotion

Citizens' has begun to promote the use of compact fluorescent light (CFL) bulbs as a means of helping customers conserve energy and save on lighting costs. The lobby at the corporate headquarters currently houses a display that shows customers the energy saving capability of CFL bulbs, as well as the lighting quality of today's CFLs. We will also promote CFL use in our customer newsletter and via our website.

Geothermal promotion

Citizens' Electric plans to begin promotion of geothermal heating, considered to be the most energy-efficient means of heating and cooling most residential or commercial structures in our customer newsletter, as well as via direct customer contact.