

WELLSBORO ELECTRIC Co.

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.

Wellsboro Electric Co. (WECO), an electric distribution company (EDC) that provides electric service to approximately 5,900 customers in Tioga County, Pa., became the first EDC in Pennsylvania to exit its generation rate cap, doing so in 2000. In the ensuing years, Wellsboro Electric customers have experienced relatively stable generation rates. WECO entered into a long-term generation contract with Dominion Energy in 2002 that locked in favorable generation rates for WECO customers for a five-year period. That contract expires Dec. 31, 2007.

To date, the competitive market has not developed in the north-central region of Pennsylvania; there are currently no Alternative Generation Suppliers offering generation supply to Wellsboro Electric customers. As the default generation service supplier, Wellsboro Electric has been committed to securing generation supply at the best price possible for its customers. On Jan. 1, 2008, Wellsboro Electric 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, WECO will be purchasing power at market rates, which are considerably higher than they were five years ago when WECO's generation rate was last adjusted. For the past 18 months, WECO 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.

WECO'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 Wellsboro 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

Wellsboro 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

WECO produces a customer newsletter, *The Energy Line*, that is mailed to all customers with their electric bills two to four times annually. While all customers receive this newsletter, the target audience for this publication 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 Energy Line* newsletter since the spring of 2006. We plan to continue using this vehicle to educate customers about Wellsboro 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 WECO an annual fee, which is absorbed in the rates.

Those businesses that enroll can utilize free consulting services from the staff at *Quest Line*. 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

Wellsboro Electric hosts one to two breakfast meetings each year 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 each of the last three Power Breakfasts, which took place in March of 2006 and July and December of 2007, company CEO Craig Eccher discussed WECO's power supply contract status and provided customers with projections of where generation rates were headed after expiration of the utility's contract with Dominion. WECO also invites the local press to attend Power Breakfasts in an attempt to reach a broader audience. A representative of the local newspaper attended both Power Breakfasts held in 2007 and followed up with front-page articles that focused primarily on rising generation costs as they pertain to Wellsboro Electric customers. We plan to continue conducting Power Breakfasts.

News Releases

Prior to any changes to its generation rate component, Wellsboro Electric disseminates one or more news releases to the local media. These news releases have traditionally provided information about the contractual arrangements WECO 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. In addition, information contained in the release provides steps customers can take to learn ways to reduce their electric bills or to receive payment assistance through special programs like the Dollar Energy Fund and LIHEAP. News releases will continue to play a vital role in our future communication efforts. Under terms of WECO's new default-service plan, the generation rate will be adjusted quarterly. We will communicate these increases via news releases and bill notices.

Web site

The Wellsboro Electric website, www.wellsboroelectric.com, contains a section devoted to energy saving tips, as well as information for customers who are having difficulty paying their electric bills. In addition, the website's home page provides easy access links to two excellent sites for energy conservation and efficiency information: the Edison Electric Institute's "Resources for Residential Consumers," and the U.S. Department of Energy's "Home Energy Saver," an Internet-based tool for calculating home energy use.

Radio Advertising

Several times a year, WECO will run limited advertising campaigns on local radio stations. These campaigns feature spots that typically promote energy conservation or electrical safety.

Community Outreach

Wellsboro Electric is staff available to provide presentations to community groups and organizations seeking information about energy conservation, customer assistance and electric rates. We will continue promoting this service as an effective means of reaching audiences such as senior citizens, service clubs, and low-income residents.

Energy Audits

Wellsboro Electric provides customers with free home energy audits, upon request. During these home visits, an employee will walk through the home, looking for electrical problems that may cause high-bill complaints. Homeowners are also provided with practical advice on using energy more efficiently, as well as tips for conserving energy during these audits.

Geothermal promotion

WECO has been a long-time proponent of geothermal heating, considered to be the most energy-efficient means of heating and cooling most residential or commercial structures. We have promoted and will continue to promote geothermal heating in our *Energy Line* newsletter, as well as via direct customer contact.

CFL promotion

Wellsboro Electric plans to promote the use of compact fluorescent light (CFL) bulbs as a means of helping conserve energy and save on lighting costs. The lobby at the corporate headquarters will house 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.