

What precautions have been taken to ensure that I will have hot water?

Several precautions are built into the system to ensure that you will not be inconvenienced. First, water heaters in the program will be grouped according to their storage capacity and the size of the household in which they are located. No group will be turned off longer than the storage capacity and the needs of the family allow. Second, the system has been designed so that if any part fails, the switch on your water heater will be locked in the mode that keeps electricity flowing to it.

When will the system operate?

The system will monitor demand and weather conditions 24 hours a day. However, it will shut off electricity to water heaters only on days when demand is expected to be extremely high.

Who will install the load control switch?

An employee from the co-op or an employee from a firm contracted by the co-op will install the switches. These people, whether from the co-op or a contracted firm, are well-trained in the installation and workings of the Coordinated Load Management System and will always carry proper identification.

What if I don't like it?

If for any reason you are dissatisfied with the system, your electric co-op will remove the switch promptly at no charge.

Why am I being offered load management?

Allegheny and your local co-op are offering the Coordinated Load Management System because it is a way to keep electric rates from rising. It is also a good way for you to take an active role in controlling what happens to your electric bill.

While no one can control all the factors that affect the cost of electricity, peak demand is one factor you *can* control.

Who can I contact to sign up?

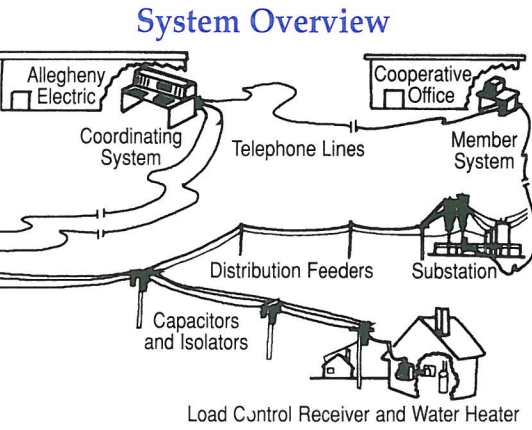
Contact your local electric co-op to let it know that you are interested in signing up for the Coordinated Load Management System.

What else can I do to help control power costs through the Coordinated Load Management System?

Call your neighbors and friends served by your co-op and ask them to participate with you. The Coordinated Load Management System gives you an opportunity to help yourself and others by taking action to control the cost of electricity.

You can also help control power costs by "peak shaving." Try to avoid using appliances during peak periods (your co-op can tell you when these times are) and purchase energy-efficient appliances. Encourage your neighbors to do the same.

Many cooperatives are now offering off-peak rate programs that can help control demand. These programs may also be able to save you money on your home heating costs. Contact your local electric co-op for more information.



PENNSYLVANIA AND NEW JERSEY ELECTRIC COOPERATIVES

- Adams EC, Inc.**
1338 Biglerville Rd.
Gettysburg, PA 17325
717/334-9211
717/334-3980 FAX

Bedford REC, Inc.
P.O. Box 335
Route 30 East
Bedford, PA 15522
814/623-5101
814/623-7983 FAX

Central EC, Inc.
P.O. Box 329, Rt. 368 E
Parker, PA 16049
412/399-2931
412/399-2300 FAX

Claverack REC, Inc.
RR2, Box 17
U.S. Route 6
Wysox, PA 18854
717/265-2167 or
800/326-9799
717/265-6019 FAX

New Enterprise REC, Inc.
P.O. Box 75
Rt. 869
New Enterprise, PA 16664
814/766-3221 or
814/766-3771
814/766-3319 FAX

Northwestern REC Assoc., Inc.
P.O. Box 207
22534 State Highway 86
Cambridge Springs, PA 16403
814/398-4651 or 800/352-0014
814/398-8064 FAX

Somerset REC, Inc.
Box 270, Industrial Parkway
Somerset, PA 15501
814/445-4106
814/445-5526 FAX
- Southwest Central REC Corp.**
P.O. Box 70, 75 Airport Rd.
Indiana, PA 15701
412/349-4800
412/349-7151 FAX

Sullivan County REC, Inc.
P.O. Box 65
State Route 87
Forksville, PA 18616
717/924-3381
717/924-3383 FAX

Sussex REC, Inc.
P.O. Box 346
64 County Route 639
Sussex, NJ 07461
973/875-5101
973/875-4114 FAX

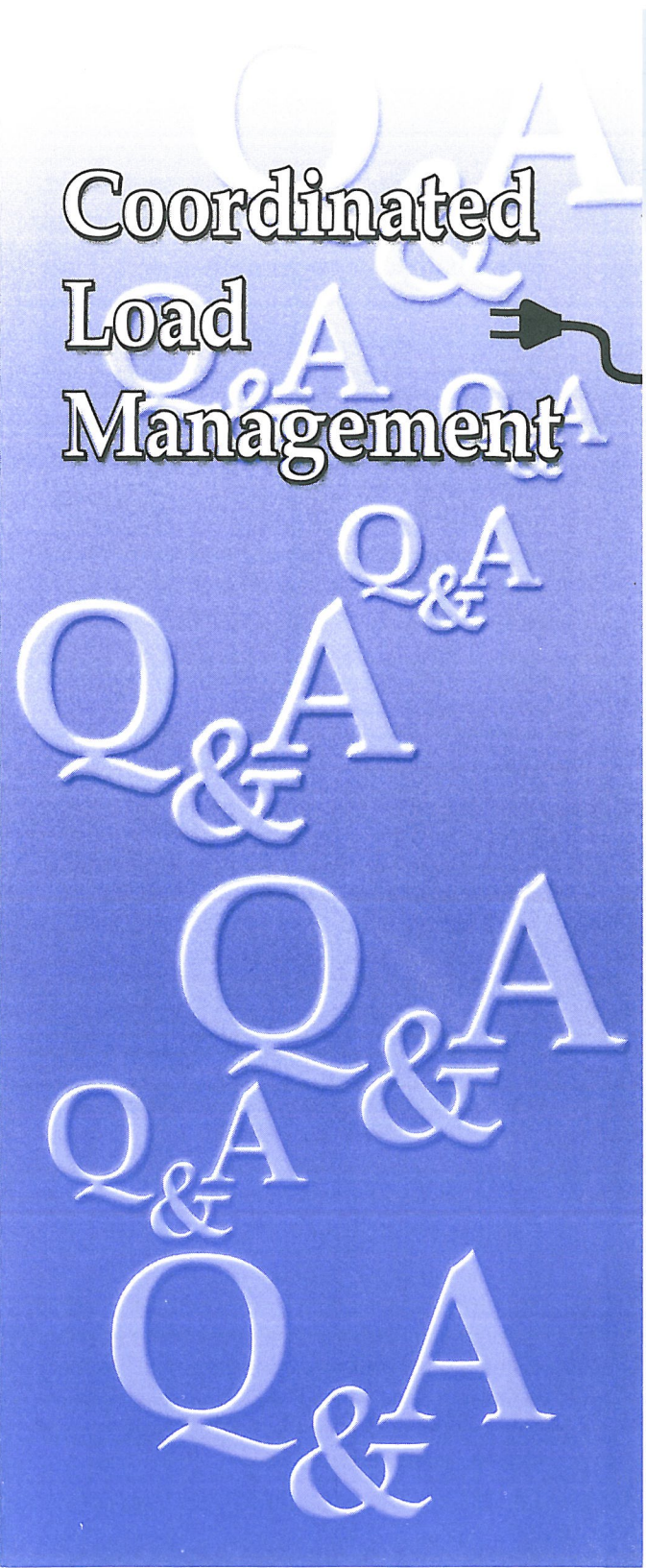
Tri-County REC, Inc.
P.O. Box 526
22 North Main St.
Mansfield, PA 16933
717/662-2175
717/662-2142 FAX
814/274-8740 Coudersport

United EC, Inc.
P.O. Box 688
Rt. 255 & I-80
DuBois, PA 15801
814/371-8570 or 800/262-8959
814/371-9278 FAX

Valley REC, Inc.
P.O. Box 477
Rt. 26 North
Huntingdon, PA 16652
814/643-2650 or 800/432-0680
814/643-1678 FAX

Warren EC, Inc.
320 East Main St.
Youngsville, PA 16371
814/563-7548
814/563-7012 FAX

Pennsylvania Rural Electric Association
Allegheny Electric Cooperative, Inc.
212 Locust Street • P.O. Box 1266 • Harrisburg, PA • 17108
717/233-5704 • FAX: 717/234-1309



What is load management?

Technically, load management is the ability to control the use of electricity at certain times to reduce peaks in the demand placed on the electrical system. In practice, the Coordinated Load Management System developed by the 14 electric distribution cooperatives in Pennsylvania and New Jersey and their wholesale power supplier, Allegheny Electric Cooperative, Inc. (Allegheny), allows cooperative consumer-members to become partners in the effort to control electric rates. The system works by controlling electric water heaters and other special appliances in participating members' homes to reduce the use of electricity during peak demand periods.

Many cooperatives have also added off-peak rate programs that use the Coordinated Load Management System to control electric thermal storage (ETS) and dual fuel home heating systems. Check with your cooperative if you are interested in these programs.

What is peak demand?

"Peak demand" on an electric system is the 15-minute period during the month when electric consumers are using the most electricity at the same time. This peak largely determines how much each co-op pays for power.

What is the difference between energy and demand?

Energy is the capacity to do work. It is the electricity used by your appliances, tools, motors and other equipment. It is measured in kilowatt-hours (kWh). **Demand** is the amount of electricity called for or "demanded" from an electrical system. It is measured in kilowatts (kW). Both energy and demand affect electric rates.

Why is reducing peak demand important?

Reducing peak demand saves money for electric cooperatives and you. Electricity is produced for immediate use; it cannot be stored economically. Power plants must be built to meet demand at all times — including peak periods. Lower peaks reduce the need for greater power plant capacity, which in turn lowers the wholesale cost of power. Higher monthly peaks mean that Allegheny must pay more for the electricity it purchases from private power companies. These costs are then passed on to your local cooperative.

How does the Coordinated Load Management System work?

First, electric co-op consumer-members must volunteer to have a load management switch installed on or near their electric water heaters or other appliances. Meanwhile, a computer at the co-op office monitors demand and weather data.

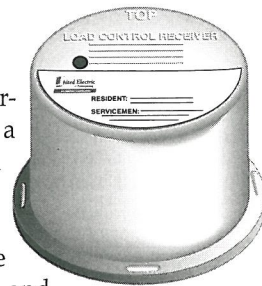
When demand reaches an extremely high point, a load management operator initiates the system to send a signal over electric lines to the switch. The switch will then cut off electricity to the water heater or appliance. By controlling the use of electricity this way, the co-op reduces demand across its service area. The more consumer-members participating, the greater impact the system has.

What do I have to do at my house?

You don't have to lift a finger! The co-op computer and the load management switch do all the work.

Who can participate?

Anyone who is a full-time co-op member (not a seasonal user) and who has an electric water heater can participate in the load management system, as well as in any off-peak rate ETS and dual fuel heating program.

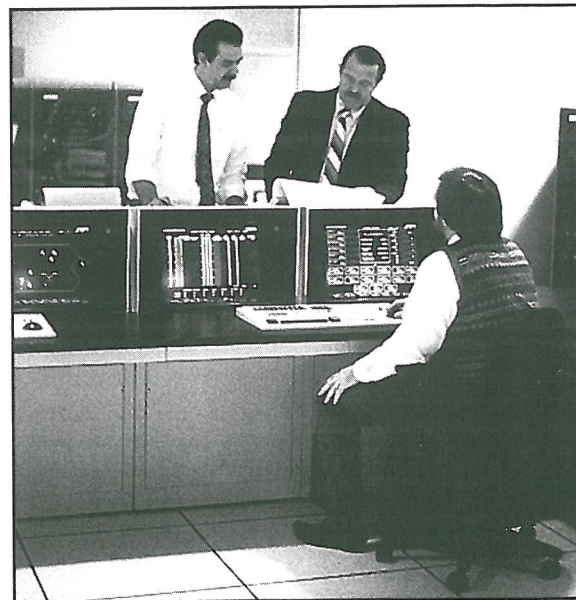


Will having the switch on my water heater lower my electric bill by reducing the amount of electricity I use?

Load management does not necessarily reduce the amount of electricity you use. Instead, it shifts the time that you use it from a peak period to an off-peak period. The savings resulting from the Coordinated Load Management System will not immediately show up as a reduction in your electric bill. Rather, it works toward holding down future rate increases. Many factors contribute to the cost of electricity; peak demand is just one of these.

How does controlling water heaters save money if it won't lower my bill?

The amount of electricity controlled by water heater switches reduces the peak demand charge that your cooperative pays to Allegheny; it also reduces the cost of demand Allegheny must pay. All of these savings are passed along to you, the consumer-member, to help offset the need for future rate increases. Reducing demand on the system will make more efficient use of existing generating facilities and help delay the need to build new ones.



CENTRAL ELECTRIC COOPERATIVE CURRENT DISTRIBUTION CHARGES			
Base charge			12.95
Distribution charge	750 kwh x .02913		21.85
			34.80
Load Control Credit			-2.50
			\$32.30

How much will the system cost me?

The Coordinated Load Management System will cost you nothing. If you volunteer for the program, your cooperative will pay for the cost of the switch and its installation and perhaps provide a small monthly "participation" rebate on your bill. The savings resulting from the program will offset any expense incurred by your co-op. The savings Allegheny realizes because of lower demand on its system will be passed directly to your cooperative.

Does load management conserve energy?

No. Load management is concerned only with reducing the demand requirements of your cooperative. However, your co-op can advise you on the best methods to conserve energy.

Will I have hot water when my water heater is switched off?

Water heaters are the chief appliance used for load management because they provide efficient heat storage. Since water in a modern heater stays hot for hours, you should not be without hot water when electricity to it is switched off. Studies show that water heaters can be without power for as long as eight hours and not inconvenience consumers. Under the system in use by your co-op, water heaters should not be shut off longer than they are capable of storing hot water.