

Powering Our Rural Communities

— 2008 Special Meeting of Members — Official Notice

There will be a Special Meeting of the Membership of the Delaware County Electric Cooperative, Inc. held on Saturday, January 26, 2008 at the Delaware Academy and Central School in Delhi, New York. The meeting will be held from 3:00 – 5:00 pm. The meeting is to review the proposed Delaware County Waste-to-Energy Project (see below) at the Delaware County Landfill and proposed changes to the cooperative's bylaws. An invitation letter and "marked up" version of the proposed bylaw changes were mailed to members the week of January 7, 2008.

DCEC Calls Special Meeting of Members Regarding Landfill Gas Project & Bylaw Change

An innovative plan to use landfill gas to generate electricity is moving closer to reality, under a unique partnership between DCEC and Delaware County.

The Delaware County Board of Supervisors, at its December 13 meeting, authorized Board Chairman James Eisel to sign a contract that will allow DCEC to harness methane gas, created by decaying garbage at the Delaware County Solid Waste Management Center in Walton, to generate electric energy. Instead of being vented to the atmosphere, or burned by a flare, the gas will be used to generate an engine that will be owned by DCEC at the landfill site.



*Sue McIntyre-Director of Waste Management,
Delaware County, NY*

Delaware County Public Works Commissioner Wayne Reynolds called the project, "a tremendous marriage between the county and the co-op."

DCEC officers say the project is needed to keep up with the energy needs of cooperative members. "Over the last several years, we have been communicating to our members the need for DCEC to secure new sources of clean, stable and low-cost power," said Frank Winkler, DCEC Board President. "Every year, our members' appetite for energy continues to grow. We need to keep up with that demand."

Traditionally, the cooperative has purchased all of its power from the New York Power Authority (NYPA) under two long-term, fixed-rate wholesale power contracts. The power is delivered to the cooperative's six substations. One of these contracts, tied to the cost of generating power at the Fitzpatrick Nuclear Plant in Oswego, N.Y., was terminated by NYPA, effective December 31, 2007. "The loss of that contract requires us to either purchase higher-cost and volatile power off the market or secure other more predictable sources of power," said CEO and General Manager Greg Starheim. "This landfill gas project helps to serve this need and is consistent with DCEC's commitment to clean energy solutions."

Continued on Page 2...

Steve Watkins Retiring From DCEC



After 30 years of dedicated service to DCEC members, Line Foreman Steve Watkins has decided to "hang it up". For the last 3 decades, Steve's electrical knowledge and leadership has been a major influence on the cooperative.

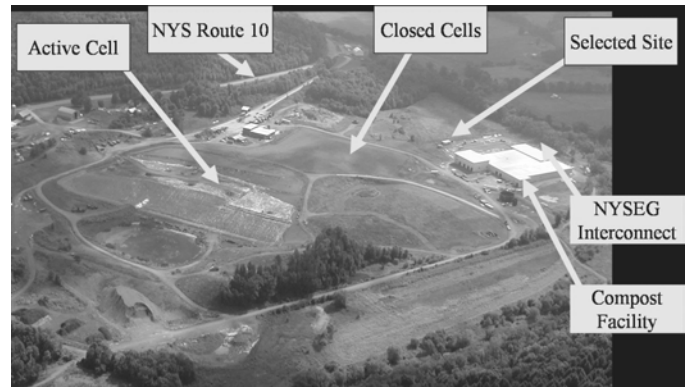
Steve joined DCEC as a senior lineman after distinguished electrical line service in the U.S. Navy. Upon leaving the Navy in 1976, Steve continued line work for Connecticut Power & Light, and then worked with a contractor where he first got introduced to DCEC. DCEC was very fortunate to hire Steve in 1976 bringing his strong electrical knowledge and work ethic (and sunny personality) to the cooperative.

Steve and his wife plan to remain in the Hamden area upon his retirement on January 25, 2008. *DCEC wishes him and his family all the best for a long and healthy retirement.*

“Special Meeting” Continued from Page 1...

The project, which has been under study for the last three years by DCEC and the county, will involve drilling additional wells in the landfill and more effectively recovering the gases that are produced from the decomposition of solid waste at the facility. This “landfill gas” is rich in methane content, an extremely potent greenhouse gas.

“Not only is this project a stable, low-cost supply of power to DCEC but it will also significantly reduce the emissions of greenhouse gases and odor emitted from the facility,” said John Klaben, DCEC Manager of Engineering. “The county will also receive a payment from DCEC for the rights to utilize the gas for power production. It’s truly a local “win-win” arrangement.”



DCEC members are being asked to approve a change to our organization’s by-laws to allow the project to be structured in a way that best serves the coop’s membership. Because DCEC power lines do not directly connect to the Delaware County Solid Waste Management Facility, power will be sold into the New York State Grid or to another third party while DCEC purchases the power back, when needed, at each of its six substations. As a result, the DCEC Board has called a special meeting of the membership on Saturday, January 26, 2008 at 3:00 p.m. at the Delaware Academy & Central School in Delhi, NY to explain the details of the coops plans and to present the rationale of the bylaw changes. The “Official Notice of Meeting”, in accordance with DCEC bylaws, was mailed to members the week of January 7, 2008. It included an explanation of the specific bylaw changes the membership is being asked to consider.

DCEC will also hold an “Open House” at its Elm Street office on Thursday, January 17, 2008 from 3:00 – 7:00 p.m. for members to meet with DCEC staff, directors and project partners and to ask questions of the project and proposed bylaw changes.

DCEC Makes Capital Credit Refund to DMV International

On Thursday January 10th, the Delaware County Electric Cooperative (DCEC) presented local Delhi manufacturer DMV International with a capital credit retirement check of approximately \$14,000. The capital credit payment was part of an overall retirement the cooperative recently made to its members totaling \$240,000. The payment made to DMV International represents the largest distribution that DCEC made to its members.

As a non-profit business, DCEC provides electricity to its members “at cost”. When the cooperative finishes a year with a positive net balance, the funds are eventually returned to members when the financial conditions of the co-op are strong enough to do so. Up until then, the funds are kept as part of the member’s equity in the co-op. The \$240,000 paid out to its members reflects the positive net margins the co-op realized in 1986.

“It is very nice to pay out these funds to our members.” says Greg Starheim, CEO/General Manager. “It’s especially nice to present such a substantial credit to a local company that is so important to our local economy. We are proud to have them as a member and want to help them be as successful as possible.”

DMV International is the cooperative’s largest member in terms of the amount of energy they purchase each year.

Coincidentally, DMV International is also a cooperative. Being a global leader in the production of functional and nutritional ingredients serving the food, nutrition, and pharmaceutical industries worldwide, DMV is a division one of the largest



DCEC CEO, Greg Starheim, DMV Business Line Director, David Clark, DMV employee Kathy Layer, and CFO, Joost van Schijndel

Continued on Page 3...

HA 4-24-13A

NYSEG Outages Affect DCEC Members...Testimony Filed With NYS Public Service Commission

DCEC is absolutely committed to delivering reliable electric power to our members. Despite all of our efforts and investment that we make in our own electrical system, DCEC is still reliant on NYSEG transmission lines to deliver power to each of our substations.

Recently, DCEC members have experienced a series of electrical outages, including outages on Christmas Eve and Day at the Jefferson substation, that were caused by NYSEG transmission interruptions. Although NYSEG outages have been a lingering issue for DCEC and the other New York State electric co-ops for years, there has been a recent spike in the frequency of these outages. NYSEG outages are now the second largest source of electrical outages to DCEC members (after storm damage).



Under pressure to deliver “profits”, investor-owned utilities (like NYSEG) have a much different philosophy on line maintenance and “right-of-way” clearing than rural electric cooperatives. Electric cooperatives are simply in business to serve their members needs where the primary motivation of investor-owned (for-profit) utilities is to deliver shareholder value. Nationally, rural electric co-ops routinely struggle with their “profit-motivated” neighbors to improve transmission reliability.

Past attempts to get NYSEG to improve their reliability performance have been only modestly successful. That is why DCEC, along with the other New York rural electric co-ops, have decided to take action with the NYS Public Service Commission (PSC). As a regulated utility, the PSC has authority over NYSEG on matters relating to rates, service reliability and other matters. On Friday, January 11, 2008, the co-ops, through their New York State Rural Electric Cooperative Association (NYSRECA), filed testimony with the PSC regarding NYSEG’s unacceptable transmission performance and insufficient staffing levels that contribute to extended delays in restoring service when outages occur*. In addition to the inconvenience, cost and potential hazards these outages may cause to our members, the testimony also addresses the un-recovered costs to DCEC associated with responding to these outages and from “lost revenues”.

We apologize to our members for these recent power outages and want to make you aware of our efforts to address these issues. We are hopeful that these actions will result in improved performance by NYSEG in the future.

* NYSRECA is supported through ACRE contributions.

Members Requested to Contribute to “ACRE”



Thanks to all of our members who contributed to the “Action Committee for Rural America” or “ACRE”. ACRE is funded by voluntary contributions by employees, directors and membership from cooperatives across the U.S. ACRE is critical in ensuring we maintain a strong voice on Capitol Hill on legislative issues that affect our industry and in ensuring that we have an opportunity to engage in discussions that shape future laws. As a great example, ACRE was a major factor in the cooperatives providing opinion on the recent Climate Change legislative debate in Washington. The cooperatives, through our membership in the National Rural Electric Cooperative Association (NRECA) provided our opinion on various versions of Senate and House bills and our commitment to the development of renewable energy projects.

Members can participate in ACRE through a contribution on their monthly bill. A \$25 annual contribution amounts to a \$2.08/month contribution on member’s bill. If you are interested in making a contribution please contact our office for more information.

“Capital Credit Refund” Continued from Page 2...

dairy cooperatives in Europe named Campina with members primarily in Holland, Belgium and Germany. Locally, DMV employs 105 people at their plant and headquarters just south of Delhi.

“As a cooperative ourselves, DMV International fully appreciates the work that DCEC does in responding to the needs of its membership in an efficient and consistent manner. We are pleased to receive this credit, and continue to support the DCEC in their efforts to provide our company with competitively priced electricity,” said David Clark, Business Line Director, DMV International.”

Community Calendar

Is Your Location Number in This Issue?

Your service location number begins with two letters and is located on your bill next to your account number. Keep your eyes peeled for the "hidden location number" in this newsletter! If you find the number, and it is your service location you will receive a DCEC fleece sweatshirt! *Good luck!*



- 2/2/08** **Ice Harvest Festival @ Hanford Mills Museum**
10:00 am—4:00 pm for more information visit www.hanfordmillsmuseum.org
- 2/2 - 2/3/08** **Sno Cross @ Murphy Flats in Stamford**
for more information visit www.cctrail.com



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The information contained herein is designed to promote action and discussion among members. Statements published do not necessarily reflect the official position of the cooperative. The information has been obtained from sources believed to be reliable, and the editor has exercised reasonable care to assure its accuracy.

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