

Powering Our Rural Communities

Facing Rising Costs, DCEC Forced to Take Action



Rising costs have caught up with everyone and DCEC is no exception. Increases in power supply, labor, material, fuel costs and property taxes have caused the DCEC Board of Directors to approve an overall 7.9% increase to electric rates that

will be phased in over a two year period; 4.1% to go into effect in July 2011 and a tentative 3.8% increase to go into effect in July 2012 pending future financial performance of the cooperative.

“It’s clear that many folks in our local communities are having a tough time but it’s important that we keep DCEC solvent and financially strong,” says Greg Starheim, CEO & General Manager.

The cooperative’s last rate increase was in 2006. Since that time, the recession that began in 2008 helped keep wholesale purchased power costs low but those costs, amounting to a third of DCEC overall cost-of-service, are climbing.

“We have tried to be as proactive as possible in keeping our costs down”, explained Starheim. This last fall, DCEC changed the medical insurance plan it provides to its employees saving \$70,000.

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DCEC Conducts Membership Survey



In late 2010, over 400 DCEC members participated in a survey to provide feedback on their opinions on the service that DCEC has been providing. SDS Research, an independent research firm, conducted the survey

through phone interviews with members across all rate classes.

“We are very pleased with the results”, says DCEC Board President Frank Winkler. “Overall, the survey results show that members are very pleased with the level of service they are receiving from DCEC. That’s very important for us to know.”

The survey revealed that 92% of members felt that DCEC provides reliable electric service and is responsive to power outages. For those members that had direct contact with DCEC personnel over the last year, 94% reported that it was a favorable experience for them.

The survey was also helpful in providing feedback to the board of directors on strategic initiatives and possible bylaw changes. For instance, 72% of members favored giving members the right to vote through absentee ballots (vs. strictly in-person at annual meetings). Members also indicated that the Catskill Hi-Line and bill inserts are the most effective way for DCEC to communicate information to them (vs. website, email and newspaper ads). 86% of members who read the Catskill Hi-Line gave it a high rating.

DCEC members also demonstrated support for renewable

Continued on Page 2...

Time Running Out to Apply for Solar Project Grant Funding

DCEC members interested in participating in the Residential Solar/PV Program should submit the necessary application soon. The deadline for grant applications is May 1, 2011. Any applications submitted after that date will not be eligible for the program.

This last round of funding from NYPA was for an additional \$75,000 to continue the program. Grants are awarded on a first-come, first-serve basis. New grants will be awarded up to \$3/watt with a maximum of \$20,000 per recipient.

Details on the program and application requirements are available at www.dce.coop.



Solar panels installed at DCEC member Frank Eppich’s home

Survey Continued from Page 1...

energy. 84% of members reported that they feel it is important that DCEC provide renewable energy as part of its power supply portfolio. When asked whether they would be willing to pay a premium for renewable energy, 36% reported that they would not, 25% said they'd be willing to pay up to a 5% premium and 13% reported they would pay up to 10% more.

"All-in-all, the feedback is very helpful," says Winkler. "It's vitally important that we continue to meet our member's needs and expectations. We plan to do surveys every couple years for us to get feedback from members beyond our normal day-to-contact with them."

Further details on the membership survey results can be found at www.dce.coop.

Rising Costs Continued from Page 1...

DCEC has also deferred purchasing new vehicles and successfully worked to get the Federated Rural Electric Insurance Exchange licensed to offer business insurance in New York State saving over \$50,000 per year in annual premiums.

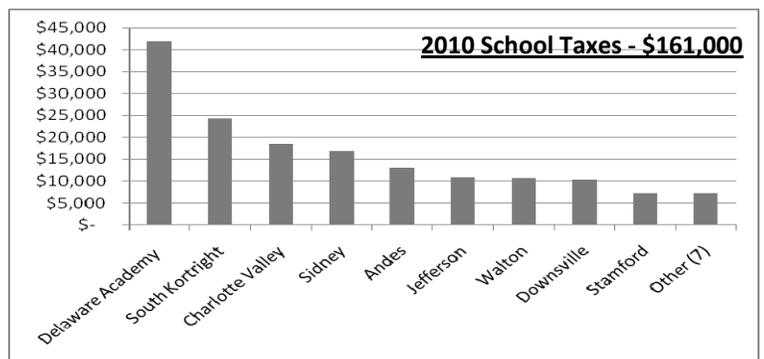
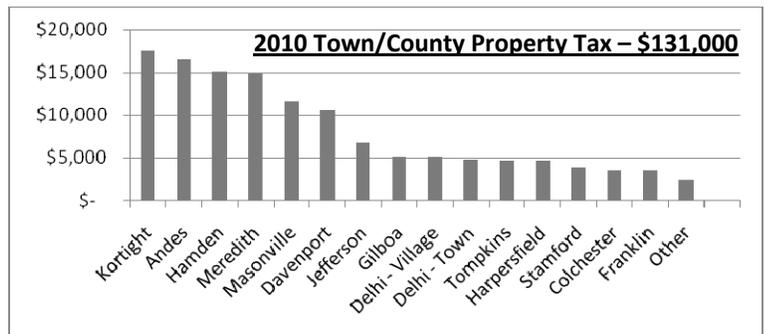
"We are in a very tough time", said Starheim. "We are seeing our members use less power each year and costs continue to increase." Earlier this year, DCEC saw a 23% increase in its real property taxes (mostly from the substations, poles and power lines it owns throughout Delaware and Schoharie Counties) as towns and school districts look for additional revenue to cover cutbacks in state funding.

A "cost-of-service study" is currently underway to assess the net cost each type of membership class has to DCEC's overall operating expenses and to develop a fair allocation of the overall rate increase to the members.

The board of directors is studying other ways of off-setting costs, as well as, including re-assessing fees for certain services (e.g. pole attachment rates

that telephone companies pay for renting space on DCEC electric poles) the cooperative performs to accurately reflect the costs of providing those services. "Everything is being considered but it is also for us not to stray from our important principles of maintaining a safe and reliable electric system for the members," Starheim said. He also discussed the board's goal of maintaining a \$200,000 per year capital credit retirements to members. "It's a fairness issue. The longer standing members have previously contributed to the cooperatives equity. As we retire capital credits to those members the new members will now participate in the cooperative's financial well-being."

DCEC has annual operating costs of approximately \$7 million and operates as a non-profit business. Further details and information will be made available to members in future newsletters and in Member Informational Meetings.



DCEC Completes Construction...Relocates Line

DCEC line crew are nearly complete with a 3.7 mile reconstruction project in the Meredith and Davenport area of County Route 10 and Pumpkin Hollow Road. Despite setbacks presented by winter weather, DCEC crews have been able to complete this project in a timely manner. DCEC apologizes for any inconveniences this construction may have caused and we extend appreciation to our members for their patience.

During rebuild projects such as this, DCEC's main goal is to improve system reliability in these areas. Accessibility to our distribution lines is often an issue both during regular maintenance work and of course during the outage restoration process. Whenever possible, the co-op looks to improve accessibility by relocating our lines along or near a public road. Recently, 3100' of distribution line was relocated along County Route 10 which will help improve service reliability to members. DCEC would like to extend a special thanks to the following cooperative members for granting us right of way easements to make these improvements: Curtis J. Riendeau, Ron Cieri, Greg Thomas and James Keator. We would also like to thank the Delaware County D.P.W. along with each and every member affected during this process.



DCEC Needs to Update Member Contact Information

We need your help! The following is a list of members that we are unable to locate. Please contact our office with any information that would be helpful in finding them or their nearest relative. Thank you!

Ackerley, Isabel R.	Herdeker, Albert G., II	Moroney, Christopher	Washington, Leonard
Amden, Deborah A.	Hitt, Timothy A. or Elaine P.	Murray, Shirley	Wilkinson, Wayne A.
Applegate, Florence Estate	Houghton, David	Papadopoulos, John	Wolf, Grace M.
Bargebuhr, Helene	Hubbard, Christi	Petrocelli, Michael	Wolf, Stanley
Bledsoe, Kenneth L.	Humphreys, Malanie	Pipa, Gaylord	Young, Ronald E.
Calder, George	Iacomini, Angelo	Poore, Frank A.	
Cascarelli, Ronald M.	James, Malissa M.	Pritchard, Karen I.	
Charles, Daniel M.	Jefferys, Robert J.	Ramsey, David B.	
Cooper, Harold	Jester, Mary E.	Rasi, Kenneth R.	
Courtney, Marshall	Johns, Judi	Reed, Mattiebell	
Crowe, Robert T.	Keating, Mary Anne	Reinert, Samuel R.	
Cunningham, Freeman O.	Kovar, William C.	Rizzo, Francis X.	
Datino, Foey	Krauss, George	Robie, Raymond F.	
Dawes, Barbara	Kresg, Eugene G.	Roe, Dennis	
De Luca, Linda	Lane, Maurice	Rose, Elsie	
Dorst, Frances	Lanni, Nancy	Ruffell, William A.	
Edwards, Jeffrey	Le Duc, Patricia F.	Russ, Rhoda	
Egan, Annmarie	Lee, Anna	Salem, Jerome	
Einsteder, Anthony J., Jr.	Loucks, Diane L.	Sanderson, Harry	
Eisele, Elli A.	Macaluso, Barbara	Schwartz, Ruth	
Epps Estate, Allen L., Jr.	Macken, John	Scofield, Jean	
Eriksson, Stephen	Malfetano Restaurants, Inc.	Simone, David	
Escobar, Roger John	Mancuso, Mary	Smith, Edward R.	
Fancher, Harold J.	Martin, Buff Cobb	Smith, Richard, V.	
Farrell, Edwin G.	Mc Andrews, Ruth Ann	Snyder, Charles	<p>Please contact our office at (607) 746-2341 or email us at billing@dce.coop if you should have any information that would be helpful in locating these members. Thank you!</p>
Florin, Rebecca	Mc Grath, James	Sparling, Lyla	
Gabvalas, Harry A.	Mc Manus, Sean	Stancarone, Nicloa	
Gahan, Amanda	Mc Namara, Katherine	Stebner, Eleanor A.	
Galucci, Dave T.	Meres, Robert M.	Summers, Susan I.	
Gardepe, Karen E.	Miller, Barbara E.	Tavolaro, Vincent & Lucinda	
Hall, Nancy C.	Minter, Bonnie L.	Van Burt, Arthur H., III	
Harrington, Joseph N.	Montanino, Michael	Walley, Phillip	

Herbicide Treatment for Vegetation Control



Specialty Herbicide

For the control of woody plants and broad leaf weeds on rights-of-way, industrial sites, non-crop areas, non-irrigation ditch banks, forests, and wildlife openings, including grazed areas on these sites.

Active Ingredient: triclopyr, 3,5, 6-trichloro-2-pyridinyloxyacetic acid, butoxyethyl ester 61.6%, **Inert Ingredients** 38.4%, **Acid**

Equivalent: triclopyr- 44.3% -41b/gal. Contains petroleum distillates

EPA Reg. No. 62719-40, EPA Est. 464-MI-1, Net Content 2.5 gal

Precautionary Statements: Keep Out of Reach of Children. Hazards to Humans and Domestic Animals

CAUTION

Harmful if Swallowed, Inhaled at Absorbed Through Skin.

Avoid contact with eyes, skin, or clothing. Avoid breathing mists or vapors. Avoid contamination of food. Wash thoroughly after handling. Remove and wash contaminated clothing before reuse.

FIRST AID

If on skin: Flush skin with plenty of water. Get medical attention if irritation persists.

If swallowed: Do not induce vomiting. Call a physician.

Physical or Chemical Hazards

Combustible. Do not use or store near heat or open flame. Do not cut or weld container.

Environmental Hazards

This pesticide is toxic to fish. Keep out of lakes, ponds or streams. Do not contaminate water when disposing of equipment wash waters.

Notice: Read the entire label. Use only according to label directions. **Before buying or using this product, read "Warranty Disclaimer" and "Limitation of Remedies" inside label booklet.**

In case of an emergency endangering life or property involving this product, call collect 517-636-4400.

Agricultural Chemical: Do not ship or store with food, feeds, drugs or clothing.

General Use Precautions

Apply this product only as specified on this label. Be sure that use of this product conforms to all applicable regulations. Before using any recommended tank mixtures read the directions and all use precautions on both labels.

Chemigation: Do not apply this product through any type of irrigation system.

During the year 2010 DCEC will again be clearing trees and brush from our primary distribution lines in Delaware and Schoharie counties. Once the trees have been cut, a ready-to-use herbicide known as Garlon-4 will be applied to the stump to prevent undesirable future sprouting. DCEC is licensed and registered with the New York State Department of Environmental Conservation to purchase, store and apply this herbicide. If you would like more information or would like to discuss the herbicide, please feel free to contact Wayne Marshfield at 607-746-9284.

Do not apply Garlon4 directly to or otherwise permit it to come into direct contact with grapes, tobacco, vegetable crops, flowers or other desirable broadleaf plants and do not permit spray mists containing it to drift onto them.

Avoid Injurious Spray Drift

Applications should be made only when there is little or no hazard from spray drift. Very small quantities of spray, which may not be visible, may seriously injure susceptible plants. Do not spray when wind is blowing toward susceptible crops or ornamental plants near enough to be injured. It is suggested that a continuous smoke column at or near the spray site or a smoke generator on the spray equipment be used to detect air movement, lapse conditions or temperature inversions (stable air). If the smoke layers or indicates a potential of hazardous spray drift, do not spray.

DIRECTIONS FOR USE

It is a violation of Federal law to use this product in a manner inconsistent with its labeling. Read all Directions for Use carefully before applying. Do not use for manufacturing or formulating.

General Information

Garlon4 herbicide is recommended for the control of unwanted woody plants and annual broadleaf weeds in forests, and on non-crop areas including industrial manufacturing and storage sites, rights-of-way such as electrical power lines, communication lines, pipelines, roadsides and railroads, fence rows, non-irrigation ditch banks and around farm buildings.

Use on these sites may include application to grazed areas as well as establishment and maintenance of wildlife openings.

Grazing and Haying Restrictions

Grazing or harvesting green forage;

1) Lactating dairy animals 2 quarts/acre or less: Do not graze or harvest green forage from treated area for 14 days after treatment. Greater than 2 quarts to 6 quarts/acre. Do not graze or harvest green forage until next growing season.

2) Other Livestock: 2 quarts/acre or less: No grazing restrictions. Greater than 2 quarts to 6 quarts/acre: Do not graze or harvest green forage from treated area for 14 days after treatment.

Note: If less than 25% of a grazed area is treated, there is no grazing restriction.

Haying (harvesting of dried forage):

1) Lactating dairy animals: Do not harvest hay until the next growing season.

2) Other livestock: 2 quarts/acre or less: Do not harvest hay for 7 days after treatment. Greater than 2 quarts to 4 quarts/acre; Do not harvest hay for 14 days after treatment.

Greater than 4 quarts/acre: Do not harvest hay until next growing season.

Slaughter Restrictions:

Withdraw livestock from grazing treated grass or consumption of treated hay at least 3 days before slaughter. This restriction applies to grazing during the season following treatment or hay harvested during the season following treatment.

Warranty Disclaimer

DowElanco warrants that this product conforms to the chemical description on the label and is reasonably fit for the purposes stated on the label when used in strict accordance with the directions, subject to the inherent risks set forth below.
DOWELANCO MAKES NO OTHER EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER EXPRESS OR IMPLIED WARRANTY.

Inherent Risks of Use

It is impossible to eliminate all risks associated with use of this product. Plant injury, lack of performance, or other unintended consequences may result because of such factors as use of the product contrary to label instructions (including conditions noted on the label, such as unfavorable temperature, soil conditions, etc.), abnormal conditions (such as excessive rainfall, drought, tornadoes, hurricanes), presence of other materials, the manner of application, or other factors, all of which are beyond the control of DowElanco or the seller. All such risks shall be assumed by Buyer.

Limitation of Remedies

The exclusive remedy for losses or damages resulting from this product (including claims based on contract, negligence, strict liability, or other legal theories), shall be limited to, at DowElanco's election, one of the following:

1. Refund of purchase price paid by buyer or user for product bought, or
2. Replacement of amount of product used.

DowElanco shall not be liable for losses or damages resulting from handling or use of this product unless DowElanco is promptly notified of such loss or damage in writing. In no case shall DowElanco be liable for consequential or incidental damages or losses. The terms of the "Warranty Disclaimer" above and this "Limitation of Remedies" cannot be varied by any written or verbal statements or agreements. No employee or sales agent of DowElanco or the seller is authorized to vary or exceed the terms of the "Warranty Disclaimer" or this "Limitation of Remedies" in any manner.

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Explanation of PCA Adjustment True-Up



In January 2010, DCEC's Board of Directors received approval from the New York Power Authority to implement a "levelizing plan" for Purchased Power Adjustment Cost.

The agreement of this plan is to assess a flat charge each month that allows DCEC members to experience a consistent Power Cost Adjustment based on historical average charges. Semi-annually (January and July), DCEC makes a "correction" based upon amounts under/over collected in the previous 6 months. This "correction" is listed as a "true-up" on your bill.

PPAC is used to cover the fluctuation in power cost. Collected funds are used only to pay for increased power cost over the original base cost of power.

Meet Nate Talbot: DCEC's Engineering Intern



Nate Talbot, a resident of Gilbertsville, NY comes to DCEC from the University of Tennessee where he is majoring in Mechanical Engineering.

While at DCEC Nate has been learning about as well as helping with the Delaware County Waste-to-Energy Project, learning more about the cooperative business model and taking part in everyday tasks that are done here at DCEC.

Nate leaves us in March as he heads off to be an exchange student in Japan to study their language, society and culture.

DCEC Supports New York State Farm Bureau

DCEC was founded in agriculture and its supports the NY Farm Bureau (NYFB). NYFB membership is open to farmers and supporters of agriculture. Membership in the county Farm Bureau adds your voice to more than 28,000 New York member families.



DCEC and NYFB have many common objectives and priorities. The NYFB works to keep the business climate of New York a good one for family farmers, and DCEC is an advocate to keep local businesses in our area through lower electric rates.

Becoming a member of the NYFP is an annual cost of \$65 a year, they also offer many benefit programs and services to their members. If you are interested in joining visit www.nyfb.org/membership or give them a call at (800) 342-4143.



Meet The DCEC Employees! This Month: Alain Harelimana

A member of the DCEC staff will be leaving us to take advantage of a rare opportunity to apply his experiences in the African nation of Rwanda. Alain Harelimana, 28, DCEC Director of Finance & IT, was born in Rwanda. He left the country in 1996, two years after surviving the genocide and came to the United States, where he graduated from Bainbridge-Guilford Central School and Hartwick College.

Harelimana is returning to Rwanda as a Consultant to the Ministry of Energy. "I wanted to go back home and see if I could apply the knowledge I acquired here," he said. His new position is an extension of work he has done in the past with the Rwandan government, in conjunction with the National Rural Electric Cooperative Association (NRECA), to extend and improve electrification in Rwanda. Harelimana will be working to coordinate internships that will allow Rwandans to spend time in other countries, including the United States, to gain experience in the energy industry. Upon their return, the interns will attend business skills seminars.

He says the new job is personal to him. "Since I came here, there has been a lot of change in Rwanda," he said. "I was born and raised in Rwanda, but my only memories are as a child. It is a good time to go back and experience it as an adult and to get a better understanding of how I can help my country continue to develop. Extending electrification is a passion of mine."

Like most big changes, this one comes with some mixed feelings. "I am surely going to miss working with my colleagues," he said. He will also miss the challenges of navigating the developing clean energy markets and changing regulatory structure in which DCEC operates. "DCEC tries to be at the forefront of emerging technologies," he said. However, he looks forward to the challenges and responsibilities the new job will bring in helping Rwanda's energy sector.

Harelimana joined the DCEC staff in 2005, recruited by General Manager and CEO Greg Starheim. His work at the cooperative has expanded from financial analysis of renewable energy projects to include a wider range of corporate financial matters and managing the IT infrastructure.

Operations Update

Line Reconstruction:



Over the next several months DCEC crews will be rebuilding electric lines in the East Brook and Stoodley Hollow Roads in the Town of Hamden, West Platner Brook in the Town of Delhi and Franklin, and East Handsome Brook and Snake Hill in the Town of Franklin. The 70 year old poles and wires will be replaced. This five mile project will take the summer and part of the fall of 2011 to complete.

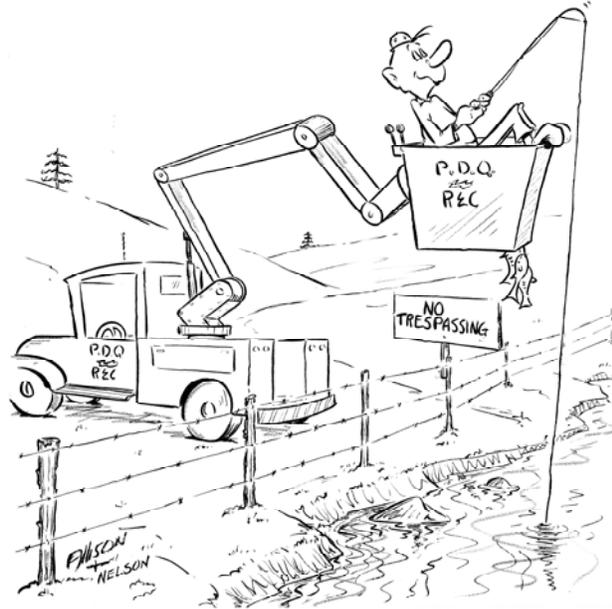
DCEC will be finishing a five mile line reconstruction project on County Route 10 and Pumpkin Hollow Roads in the Town of Meredith and Davenport.

Right of Way (ROW) Clearing:

DCEC ROW tree clearing crews will be working in the Towns of Tompkins and Masonville for the next several months trimming trees and removing undergrowth from under our existing electric lines.

KW Reese, a DCEC contractor, will be clearing 40 miles of our electric line this year mainly in the Delhi and Kortright substation areas.

Written notification will go out to those affected landowners as we proceed along our lines for ROW clearing.



Quotes to Live By

“To be upset over what you don’t have is to waste what you do have” - Ken S. Keyes, Jr.

“Never make the same mistake twice or you’ll never get around to all of them.” - Unkown

KO 2-72-3C



Providing our rural members and non-members with:

- ⚡ Low-cost Electricity
- ⚡ High System Reliability
- ⚡ Community/Member Service

Warranted for LIFE and available in 30, 50, 85 and 105 gallon sizes!

Your local area dealer for electric

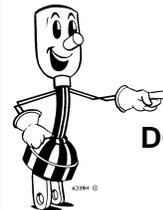
Marathon
WATER HEATERS



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!**



Mark Your Calendars!

**DCEC Annual Meeting
Friday
September 9, 2011**

At this year’s Annual Meeting the DCEC Board of Directors will be proposing several bylaw changes. More information to come in upcoming newsletters.

CATSKILL HI-LINE is a Publication of the Delaware County Electric Cooperative, Inc. and is published bi-monthly for the membership.

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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