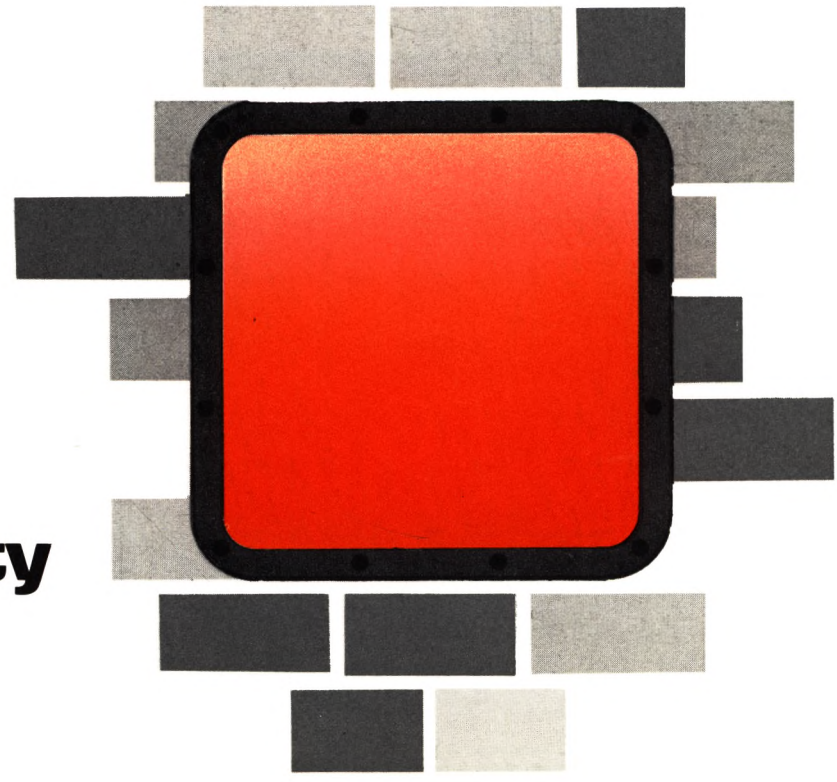
COMMUNITY CENTRAL ENERGY CORPORATION



A Public Utility


History of
Steam Energy

The year was 1877. Birdsill Holly of Lockport, New York conducted an experiment that would revolutionize known concepts of space heating. Holly, a hydraulic engineer, was dedicated to improving the quality of life for his fellowman.

Holly had an idea for a district heating system that would leave an indelible mark on United States Industry and affect the lifestyle of people 100 years in the future. His experiment is recognized as the beginning of commercial district heating.

The core of his system was water, pumped through pipes under pressure. A steam main ran from a boiler in his basement up to the attic and back down again. The line was ½ inch iron pipe wrapped with asbestos, felt, manila paper and tied with twine. In the basement, the pipe was buried in three feet of sawdust in a wooden box. In his attic was the "distributor." Back in the basement there was a loop in the pipe which served as a trap. Here, condensation was collected and returned again to the boiler. The boiler operated at ten pounds of pressure per square inch, or 10 psi. A sheet of steel with holes drilled through it served as a grate. Pipe coils were used for radiation.

Holly ran the pipe with the pressurized steam down Chestnut St. in old Lockport, New York and heated nearby homes. Commercial district heating was born.

Birdsill Holly, owner of Holly Manufacturing Company, was a prolific inventor. His manufacturing company later became American District Steam Co. Among Holly's more spectacular accomplishments was the creation of a hydraulic canal that ran from Niagara Falls to Lockport, New York.

He also invented many new features for his steam heating system to insure good service to his 14 customers. He invented a steam trap, an expansion joint, and a tin atmosphere radiator. He also developed an iron pipe atmosphere radiator, a pressure regulator, and a condensation meter.

Birdsill's original idea was to furnish steam to run water pumps on fire engines. This first idea was a success.

With the backing of his manufacturing firm, Birdsill was able to bring many new ideas to life. He invented a sewing machine, flat-irons, sinks, cistern pumps, rotary pumps, and the Sybill fire engine.

By 1879, the first district heating system ran steam through 14,000 feet of line. In 1880 the system was servicing factories. In 1881, in response to the growing need for equipment in the burgening steam industry, the American District Steam Company was born.

Within ten years steam heat was keeping most major cities of the United States warm and cozy. News of the success of district heating systems spread. Engineers would study the Birdsill System, then go home and build their own. Companies were producing steam for pumping power and elevator operations as well as heat.

Today, along with steam for heat, district energy companies provide power for air-conditioning, industry, hot water, chilled water and production of electric power.

History of Community Central Energy Corporation

Community Central Energy Corporation of Scranton is an organization dedicated to supplying our customers with ample thermal energy. Whether the need is for space heating or air conditioning, the people of Community Central are committed to filling that need.

Aware of the growing concern, world-wide, for the state of our natural environment and the need for the most efficient use of our energy resources, Community Central strives toward intelligent and rational planning in the development of Scranton's downtown.

Community Central Energy Corporation can trace its roots back to 1884. In that year, the Economy Power and Light Company began supplying steam to its downtown customers. Many of those same customers are still with us. Sixteen years later four additional boilers were installed to keep pace with rising demand for steam.

Community Central has, since its inception, been intimately involved with the City of Scranton. In the early 1900's we changed our name to Scranton Electric Company to reflect that ongoing involvement. In the following years the company worked at maintaining the necessary flexibility needed to respond to the constantly changing face of the city and its people.

In 1949 the company was purchased by Pennsylvania Power and Light. The new firm was not interested in steam for its space heating potential. They were in the business of generating electricity.

From 1949 until 1967 modernization came to a stand still. In 1967 the General Waterworks Corporation rethought the potential of steam as a central heating source. During a period of four years, over one and one half million dollars was invested to replace more than twenty-two thousand lineal feet of steam mains; to install stand-by generators as a safeguard; and to generally upgrade and replace equipment.

On August 21, 1973, the assets of the steam heat company were purchased by Community Central Energy Corporation. With the combination of new management, additional capital and fresh ideas the company has prospered.

Perhaps the most dramatic change made by Community Central was the decision to produce steam three hundred and sixty-five days a year. This decision has given the corporation the flexability to compete with other energy sources. For the first time, customers can look to the company for their total energy needs.

Community Central now has the capability of supplying heat, air-conditioning, hot water and process steam on a year round basis. Before this dynamic move was made steam was only produced nine months out of the year. The remaining three months was used for maintenance and repair.

The 'year round' capability has enabled the company to sign numerous new customers to summer and winter, heat and air-conditioning, long term contracts. Five additional commercial building contracts have produced over a quarter of a million dollars every year.

With management taking a creative approach to the pressing problems of today's energy world, the future of Community Central is looking bright.

Another innovation being explored is the idea of using solid waste as a supplemental fuel source. After two years of research and thousands of miles logged both in the U.S. and Europe, our engineers were able to select a system tailormade for both the company and the community.

A tentative agreement was reached with Research-Cottrell to enter into a contract. The contract will give approval for construction of a solid waste plant that would produce fuel from garbage.

The fuel processed from garbage will supplement the eight million gallons of oil burned to produce over eight hundred million pounds of steam per year. This development, coupled with the installation of three new boilers will make Community Central the most modern heating plant of the nearly one hundred and twenty now in existance.

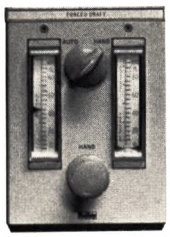
Making Steam

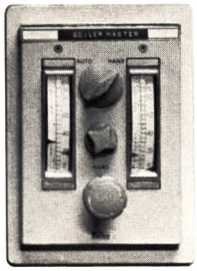
Steam energy at Community Central Energy Corporation is made from burning oil purchased from the Armerada Hess Oil Corporation. A contract, for oil used each year is released for bid at the beginning of the heating season. The contracts go to the lowest bidder. The oil is transported by local carriers to our 508,000 gallon storage tanks. Once preheated it is sent to pumping stations where it is heated to 190 degrees. From this point, the oil is pumped into boilers and burned.

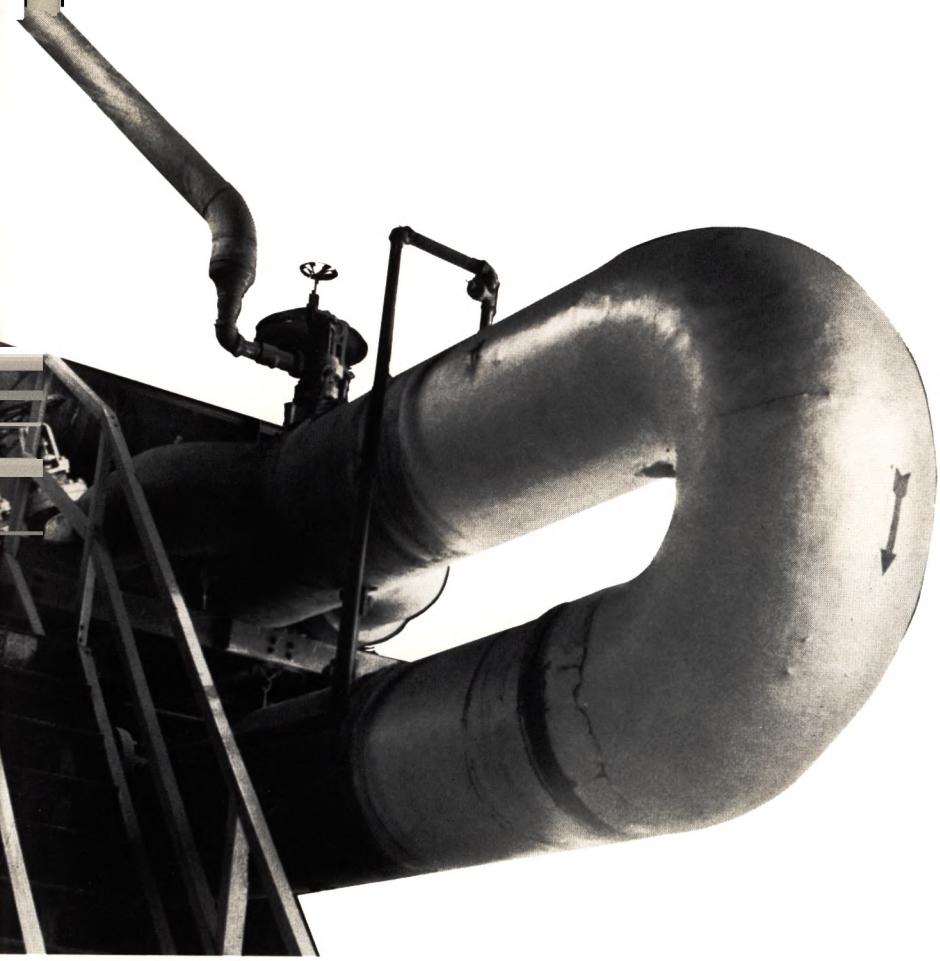
Each boiler has been filled with softened treated water. The water has passed through a deaerator to eliminate oxygen and heated to 225 degrees. After that, it is pumped to the boiler units.

The burning oil heats the water to a temperature of 370 degrees, thus producing steam. Our boilers are capable of producing 400,000 lbs. of steam per hour. Community Central's reliability is insured by a standby boiler, in case of a malfunction of one of the four in use regularly.

Community Central has a self contained electrical system with a series of standby generators. All fans and pumps are driven by steam allowing us to produce steam for our customers, even in a power failure. Our reserve water line, that feeds into the buildings owned by CCEC, provides customers with (100%) back up in case of water problems.





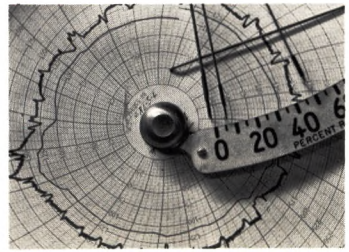


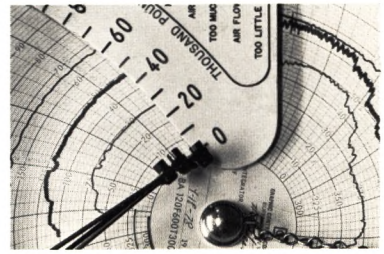
Community Central Energy Corp. now has sixteen underground pressure reducing stations at strategic locations throughout the city. Constant transmitting signals from various buildings are received in the boiler room to monitor steam pressures.

After the steam is produced, it goes thru a network of reducing stations and funneled into steam distribution mains at a pressure of 30 pounds and a temperature of 300 degrees.

The steam, transmitted to both downtown shopping areas and the Hill section of Scranton travels 60,000 feet of large steam mains into the buildings and homes of customers.

Community Central burns over 8 million gallons of oil a year to produce the required output of steam.





Uses of Steam

The uses for steam energy in the Scranton area have been increasing rapidly. At Community Central Energy Corporation we work to keep pace.

Space heating for residential, commercial, and industrial buildings, is still the greatest need of our customers. Community Central offers steam heat by forced hot air, hydronic, or straight steam through modern baseboard facilities.

Domestic hot water is yet another use of steam energy. Storage or instantaneous heaters make systems ideal for apartment buildings, schools, commercial shopping centers, hospitals, office buildings, laundries and homes.

Air-conditioning using absorption chillers, eliminate air compressors where a central unit or individual units would be required.

Steam energy is used for refrigeration in cold storage plants, produce warehouses, and supermarkets. Hospitals take advantage of steam energy for sterilizers and pressure cooking.

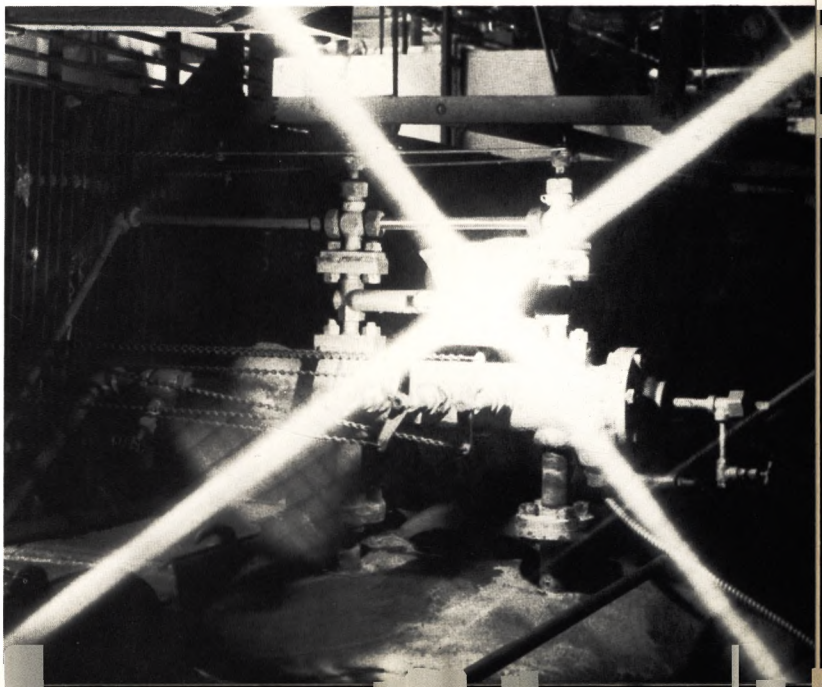
Process steam is a diversified asset to manufacturing. In chemical plants it is used for distillations and process, and in textile manufacturing for washing, dye heating and setting. Pulp and paper plants use process steam for evaporators and pulp heating.

Metal and machinery plants use process steam for metal cleaning, plating, and paint systems.

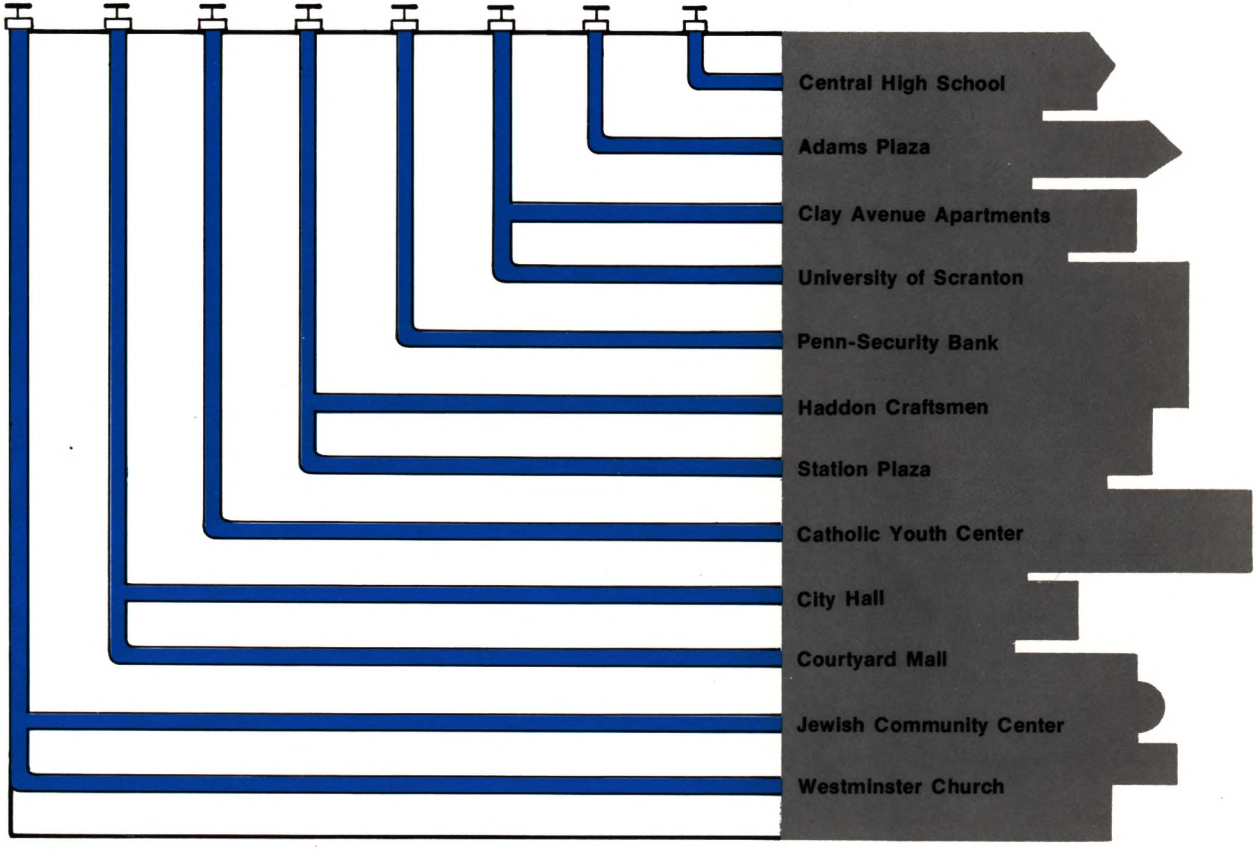
Steam from CCEC powers steam presses used in laundries, hat manufacturers, tailors, and clothing manufacturers.

Parking garages and commercial buildings utilize steam energy for snow removal. Humidifications systems powered by steam are used by tobacco manufacturers, computer companies, libraries, textile manufacturers, and office buildings.

Recreational uses for our steam energy are seen in swimming pools, saunas, and steam baths in health clubs.



Distribution




LESS WTR
TRIDENT
3 INCH
CREST

Technical Specifications

Number of boilers — 4
Total Horsepower — 6919
Total steam generating capacity —
400,000 per hour
Boiler hot water storage tank capacity —
10,000 gallons of water
Deareator capacity — 400,000 pounds per hour
Oil storage tank capacity — 508,000 gallons
Distribution pipe line sizes — 24″ to 6″
Total length distribution piping — Mains —
64,161 feet
(installed 33,000 between 1931 to 1951.
Installed 31,161 between 1968 to 1978)
Services — 24,020 feet

Number of oil pumps — 4
Number of boiler feedwater pumps — 3
Number of forced draft fans — 4
Number of water softeners — 3
Temperature of steam delivered to
customers — 278 degrees to 289 degrees
Minimum steam pressure in distribution mains
for heating — 5 lbs.
Steam pressure in distribution mains for air
conditioning — 15 lbs.
Available steam pressure for process
steam — 100 lbs.

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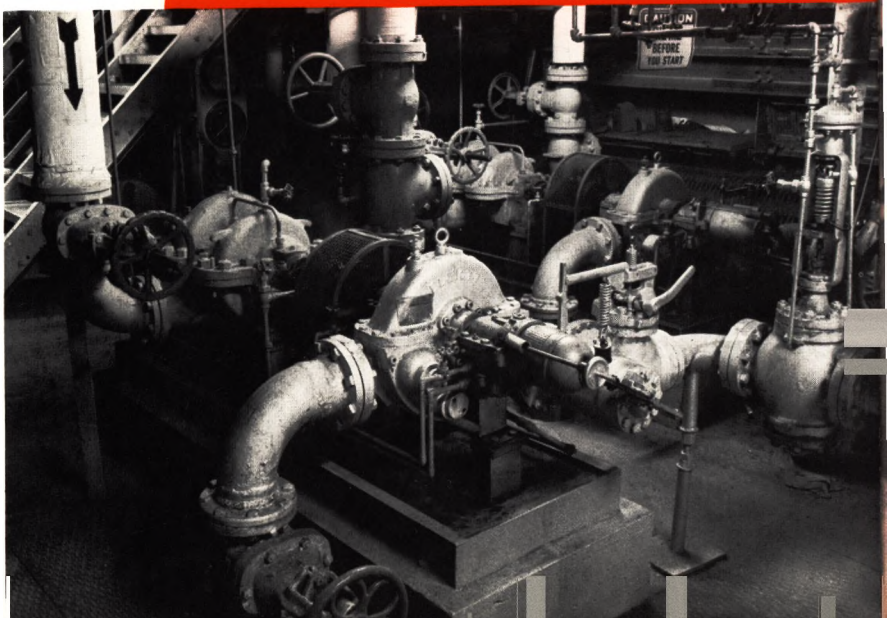
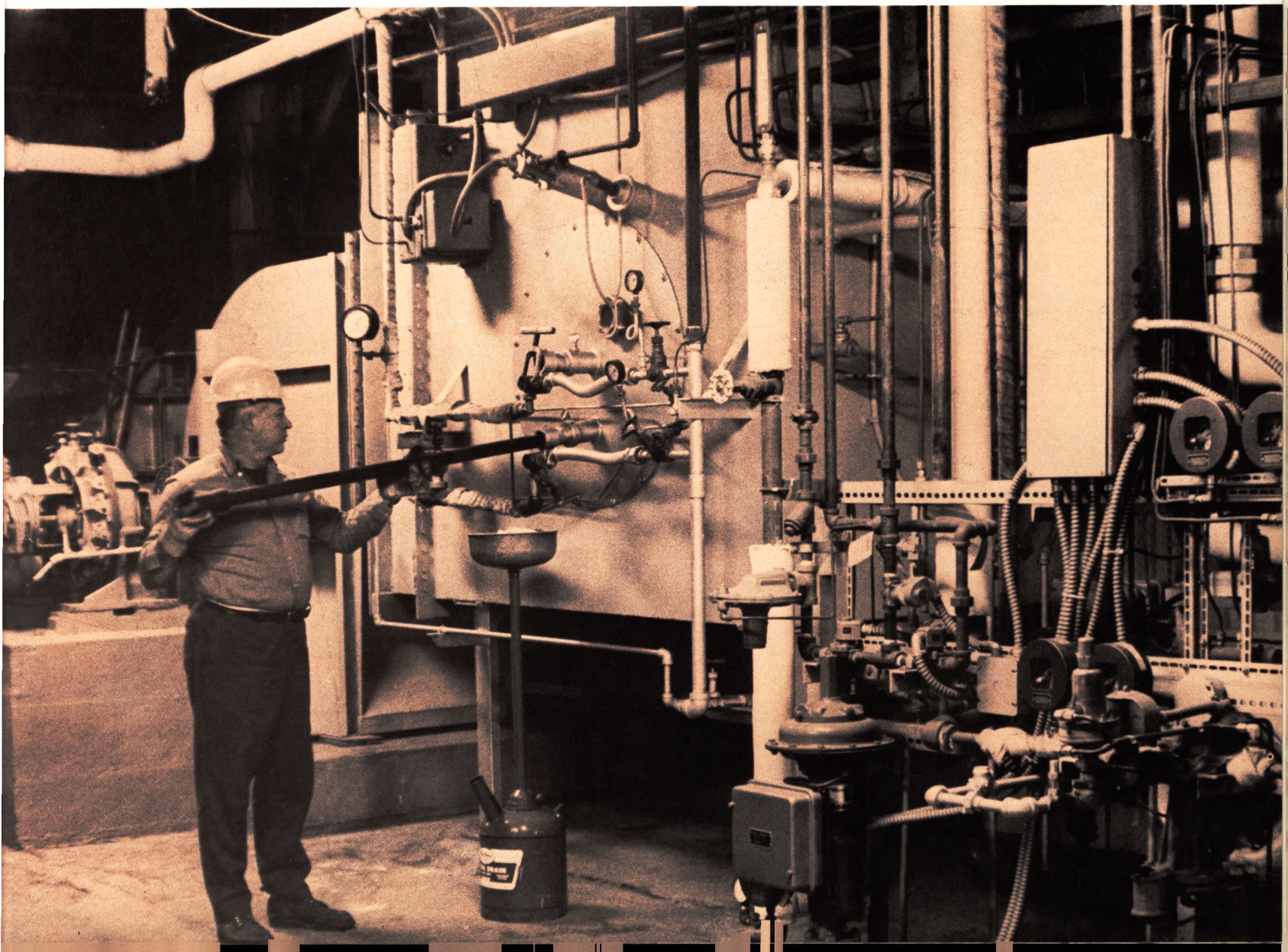


Community Central Energy Corporation's $447,000 oil-fired boiler is capable of producing 100,000 pounds of steam per hour for our customers.

The boiler was installed June, 1976 to replace one that had been in use since 1924. It was designed by the Scranton office of Babcock & Wilcox exclusively for the specialized requirements of Community Central.



What We Contribute to the Community

Community Central's involvement in the Scranton area is only one side of the total picture.

As an investor owned Public Utility, CCEC contributes thousands of tax dollars a year to support our schools and municipal services.

The total economic impact on the area's economy in salaries, wages and capital improvements total over $3.2 million per year.

Maintaining a policy of supporting local businesses and contractors is equally important. When making improvements or expanding our facilities we like to keep our dollars close to home.

At Community Central we're concerned about the legacy we will leave with our children. Our commitment to the local economy is matched by a deep concern we have for the preservation of our natural environment.

COMMUNITY CENTRAL ENERGY CORPORATION

We at Community Central would like to think that we're keeping the spirit of Mr. Holly alive. These are complicated times with complex problems, but we believe, as he did, that with imagination and skill we can fulfill those needs of today with a watchful and caring eye on the world of tomorrow.

Our dedication of a clean, dependable, economical approach will be marked by our 100 Anniversary in 1984.

Administration

Ralph J. Lomma	*President*
Francis P. Bifano	*Treasurer*
Harold Weinberger	*Vice President*
Murray Weinberger	*Secretary*
Archie W. Field	*Executive Director*

Board of Directors

Ralph J. Lomma — Francis P. Bifano
Murray Weinberger — Harold Weinberger

Legal Consultants

Nogi, O'Malley, & Harris

Financial Consultants

Jack M. Yanover, CPA

Bank References

First National Bank of Jermyn
Scranton National Bank
Old Forge Bank
Third National Bank
First State Bank
United Penn Bank

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