

As we prepare this edition of Powerlines, we are busy preparing the 2015-16 Volunteer Energy Cooperative Annual Report. This is a report to the membership and others above the status of the Cooperative and our progress during the year. It is a time that we reflect on the year and how we performed financially, as well as strategically and overall as an organization.

This year, our annual report celebrates the faces and places of the Volunteer Energy Cooperative. It contains stories and photos of places who represent the community spirit, the natural beauty, and the history of southeast Tennessee. It also shares the stories of faces who represent generations of reliable service as well as the faces of future leaders.

The report is also an update of the progress we have made toward our Vision 2020 plan. Substation upgrades, security enhancements, and progress toward digitizing our archives were all focus areas this past year.

Sometimes in the day-to-day business of running a Cooperative we forget to pause to reflect on the natural beauty and cooperative spirit around us. It is good to take time to see the cooperative spirit in our communities, the commitment of our employees, and to be excited about what the future holds for Volunteer Energy Cooperative and southeast Tennessee.

Note: The 2015-16 VEC Annual Report is available at all local VEC customer service centers or by calling 423-334-7051.



Rody Blevins  
President/CEO  
Volunteer Energy  
Cooperative

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thirteen detachments under the supervision of Chief Ross exited their ancestral land at Blythe Ferry which was located in the Northwest corner of the Cherokee Nation. A ferry continued to operate at the site until 1994.

**HISTORY WALL** - The History Wall describes early Cherokee culture and history. Including how they evolved from hunter-gatherers to a literate and highly civilized culture. It also includes the process in which they were pressured to give up their land, were rounded up and placed in stockades under deplorable conditions until they agreed to self-removal in August 1838.

**MEMORIAL WALL** - The wall has the names of 2,535 heads of households from the 1835 Henderson Roll, which was a census of Cherokees east of the Mississippi River. Fourteen panels list the names alphabetically by state.

**REMOVAL ROUTES AMPHITHEATER** - The water and land routes taken by the emigrating Cherokees are depicted on the sunken floor of an outside amphitheater that can be used for presentations and other functions.

**HIWASSEE ISLAND (JOLLY'S ISLAND)** - Early Hamilton, Mississippi, Dallas, Creek and Cherokee cultures have occupied the island for hundreds of years. The Desoto Expedition visited the island in 1540. As a young man, Sam Houston lived on the island and was adopted by Chief John Jolly. He went on to serve as a congressman and Governor of Tennessee. TVA sponsored extensive archeological investigation of the island in the 1940s before filling Chickamauga Reservoir which reduced the size of the island by one-half.

Some newer exhibits at the park include the Sequoia Syllabary Plaque which was presented to the Park in November 2013. The Syllabary Plaque was created from an oak tree that grew at the park. Another donation by Ray and Shirley Hoskins was an Indian statue hand carved by Ray Hoskins. The wood used for the statue is from an Agency Creek Tulip Poplar. The tree grew on property that was previously owned by Captain John Spears-the interpreter for Indian Agent, Return Jonathan Meigs. In addition, a statue of Sam Houston was donated in August by the East Tennessee Historical Society in Knoxville.

Cherokee Removal Memorial Park is open year-round and free to the public. Visitors are able to visit the park anytime, however should one want to see the visitor's center, it is only open Wednesday - Friday from 10 a.m. - 5 p.m. A boardwalk leads to a wildlife overlook shelter on top of the bluff offering spectacular views of the river and Jolly's Island. The wildlife shelter is provided by the Tennessee Wildlife Resource Agency (TWRA). They have successfully established a resident population of American Bald Eagles in the area. In early winter, they sponsor Crane Days so the public can observe thousands of migrating Sandhill Hill Cranes and a few endangered Whooping Cranes. Over a hundred species of birds and other wildlife can be seen in the area.



Cherokee Removal Memorial Park

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## Now is the Time to Prepare for Lower Winter Electric Bills

Sometimes we all have pretty short memories. But now is the time to remember how cold last winter was and how high our electric bills were. Now is the time to take steps to keep those winter electricity bills as low as possible. Here are some helpful tips from the U.S. Department of Energy. For more energy saving tips, visit [www.vec.org](http://www.vec.org) or <https://www.energyright.com>.

### Take Advantage of Heat from the Sun

- Open curtains on your south-facing windows during the day to allow sunlight to naturally heat your home, and close them at night to reduce the chill you may feel from cold windows.
- Cover drafty windows.
- Use a heavy-duty, clear plastic sheet on a frame or tape clear plastic film to the inside of your window frames during the cold winter months.
- Make sure the plastic is sealed tightly to the frame to help reduce infiltration.
- Install tight-fitting, insulating drapes or shades on windows that feel drafty after weatherizing.

### Adjust the Temperature

- When you are home and awake, set your thermostat as low as is comfortable.
- When you are asleep or out of the house, turn your thermostat back 10° to 15° for eight hours and save around 10% a year on your heating and cooling bills. A programmable thermostat can make it easy to set back your temperature.

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Unless it's done properly, using a fireplace to heat your home can cause higher electric bills.

## Places to Remember

Volunteer Energy Cooperative service areas contain many unique and historic places. One such place is located in southern Meigs County. The Cherokee Removal Memorial Park is located on the Hiwassee River and contains several historically significant areas; Blythe Ferry, the History Wall, the Memorial Wall, the Removal Routes Amphitheater, and Jolly's Island. The Memorial Park and the Island are all within the Hiwassee Wildlife Refuge.

The park is intended to interpret for and educate the public about the forced removal of the Cherokees from their ancestral land. The park also informs visitors about the unique wildlife in the area and provides recreational opportunities. The project is a partnership between Meigs County Tennessee, Tennessee Valley Authority, Tennessee Wildlife Resources Agency, National Park Service and Friends of the Cherokee Removal Memorial Park, a nonprofit organization. The National Park Service identified Blythe Ferry as a major site for interpretation on the National Trail of Tears and developed a comprehensive conceptual plan for the Park.

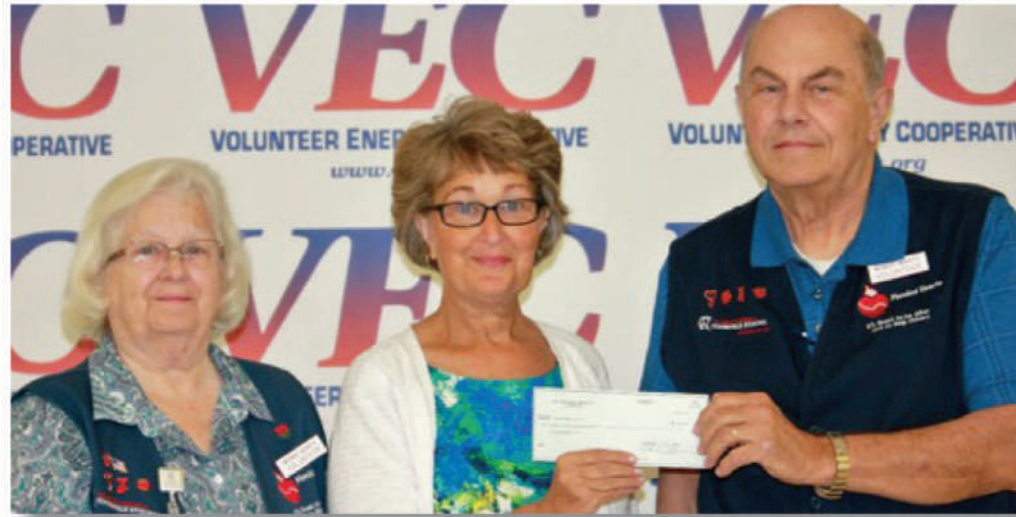


Sam Houston  
Statue

**BLYTHE FERRY** - William Blythe was granted authorization to operate a ferry in 1809. During the Cherokee Removal, nine of the



The VECustomers Share program funded \$34,000 in community service grants in September. Since the inception of the program in October 2001, more than \$5.7 million in grants has been awarded. The deadline for grant applications is the last working day of each month. For additional information, contact the office of Marketing and Economic Development, at 423-334-7051. Applications are also available online, at [www.vec.org](http://www.vec.org).



VECustomer Share Board Member, Sharon Parrott (center) presented a grant check to Richard Miller (right) and Glee Miller (left) volunteers with Mended Heart Chapter 127. The grant funds will allow the organization to purchase an Automatic External Defibrillator (AED).

### Organizations receiving grants in September

Good Faith Clinic	\$1,500	Family Cornerstones	\$500
Highway 58 Volunteer Fire Department	\$1,500	Coordinated Schools Health	\$500
Polk County High School Volleyball Club	\$1,400	Cumberland County High School Baseball Booster Club	\$500
Wilson Elementary Girls Basketball Team	\$1,250	Bradley County Scottish Rite Shoe Fund	\$500
Hospice of Cumberland County Inc	\$1,250	Meigs Historical Society	\$500
Black Fox Elementary PTO	\$1,000	Spring City Elementary Tremont Booster	\$500
Rhea County Veterans Coordinating Committee	\$1,000	Frazier Elementary Tremont Booster Club	\$500
Community Outreach Prevention Education COPE	\$1,000	Bulldog Cheerleading Booster Club	\$500
Ooltewah High School Band Boosters	\$1,000	Pine Haven Elementary Yearbook Club	\$500
Monterey Jr Boys Booster	\$1,000	Bledsoe Co Senior Citizens	\$500
Feed My Sheep Sack Pack Food Program	\$1,000	Toys for Children	\$500
Meigs County Ministries	\$1,000	Fair Park Senior Center	\$450
Soap for "The Needy"	\$900	Cumberland Trails Conference (CTC)	\$450
McMinn County High School Cheerleaders	\$750	Pickett County Jr High Math Club	\$449
Clarkrange Volunteer Fire Department	\$750	Meigs County Health Council (Meigs Matters)	\$400
Hales Chapel Community Center	\$750	Riceville Youth Football Organization	\$375
The Empty Stocking Fund	\$750	Character Counts Initiative	\$375
CASA of Cumberland County	\$750	Intensity 03 Travel Softball Team	\$350
Midway High School Cheerleader Booster Club	\$700	Stone Memorial HS Cross Country Team	\$350
Midway Middle School Beta Club	\$700	Midway Youth Cheerleading Organization	\$250
Ms. Kara Smith's 1st Grade Math Club	\$651	Midway Quarterback Club	\$250
Pickett County 7th Grade Math Club	\$650	Midway Middle School Football Booster Club	\$250
Martin Elementary Basketball Boosters	\$600	The Bay View Arabian Team	\$250
Midway High School Band Boosters	\$600	Jamestown Youth Soccer League	\$250
Chilhowee Middle School Girls' Basketball Team	\$600	Tennessee 4-H Club Foundation Inc - Cumberland County	\$250
Morgan Scott Project	\$600	TN Immigrant & Refugee Rights Coalition	\$150

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- Electric heat pumps work more efficiently when you maintain a constant temperature. Don't lower your thermostat unless you plan to maintain the lower temperature for eight hours or more. When you raise the temperature back up, increase the thermostat by two degrees at a time to lock out the auxiliary/emergency heat. A programmable thermostat can do this for you. Auxiliary/emergency heat is typically much less efficient.

### Find and Seal Leaks

- Seal the air leaks around utility cut-through for pipes, gaps around chimneys and recessed lights in insulated ceilings, and unfinished spaces behind cupboards and closets.
- Add caulk or weather-stripping to seal air leaks around leaky doors and windows.

### Maintain your heating systems.

- Find out what maintenance is required to keep your heating system operating efficiently.
- Heat Pumps and Furnaces: replace your filter once a month or as needed.
- Wood- and pellet-burning heaters: clean the flue vent regularly and clean the inside of the appliance with a wire brush periodically to ensure that your home is heated efficiently.

### Reduce Heat Loss from the Fireplace

- Keep your fireplace damper closed unless a fire is burning. Keeping the damper open is like keeping a window wide open during the winter; it allows warm air to go right up the chimney.
- When you use the fireplace, reduce heat loss by opening dampers in the bottom of the firebox (if provided) or open the nearest window slightly -- approximately 1 inch -- and close doors leading into the room. Lower the thermostat setting to between 50° and 55°f.
- If you never use your fireplace, plug and seal the chimney flue.
- If you do use the fireplace, install tempered glass doors and a heat-air exchange system that blows warmed air back into the room.
- Check the seal on the fireplace flue damper and make it as snug as possible.
- Purchase grates made of c-shaped metal tubes to draw cool room air into the fireplace and circulate warm air back into the room.
- Add caulking around the fireplace hearth.



### Lower Water Heating Costs

- Water heating can account for 14% to 25% of the energy consumed in your home.
- Turn down the temperature of your water heater to the warm setting (120°f). You'll not only save energy, you'll avoid scalding your hands.

### Lower Holiday Lighting Costs

- Use light-emitting diode - or "led" - holiday light strings to reduce the cost of decorating your home for the winter holidays.

## Financial Statements for VEC For the Fiscal Year Ended June 30, 2016

### Volunteer Energy Cooperative Balance Sheet as of June 30, 2016

#### Assets

Electric plant in service	\$ 429,510,926
Less depreciation	196,767,999
Total	232,742,927

#### Other property and investments

5,596,760	
<b>Current and accrued assets</b>	
Cash and temporary cash investments	44,273,137
Accounts receivable	15,626,228
Materials and supplies	2,817,513
Prepayments	762,209
Other current assets	1,667,227
Total	65,146,314

#### Deferred debits

Receivables-conservation	5,615,949
Other deferred debits	894,225
Total	6,510,174

#### Total assets

### Capital and Liabilities

#### Capital

Membership certificates	\$ 439,500
Earnings reinvested in system assets	234,067,720
Total	234,507,220

#### Long term debt

#### Other noncurrent liabilities

#### Current and accrued liabilities

Other notes payable	-0-
Accounts payable	17,406,967
Customer deposits	4,653,229
Taxes and interest	1,235,550
Other current liabilities	1,009,253
Total	24,305,000

#### Deferred credits

#### Total capital and liabilities

\$ 309,996,175

### Volunteer Energy Cooperative Statements of Income and Earnings Reinvested in System Assets Fiscal Year Ended June 30, 2016

<b>Operating Revenue</b>	
Sale of electric energy	
Residential	\$ 141,455,792
Commercial	22,224,564
Industrial	56,801,333
Street and other lighting	4,083,272

Total sale of electric energy	224,564,962
Other revenue	6,373,690
Total operating revenue	230,938,652

<b>Operating Expenses</b>	
Cost of power purchased from TVA	\$ 175,584,152
Distribution and transmission expense	17,039,801
Customer accounts expense	3,850,270
Customer service, sales and information expense	565,981
Administrative and general expense	8,396,378
Depreciation	14,912,896
Taxes	3,054,598
Interest expense	1,440,774

Total operating expense and interest 221,116,764

<b>Operating Income</b>	9,821,887
Other income	1,124,083

**Net Income** \$ 10,945,970

<b>Earnings Reinvested in System Assets</b>	
Beginning of fiscal year	\$ 226,926,116
End of fiscal year	\$ 234,067,720



## Tennessee Valley Authority (TVA)

Residential & Outdoor Lighting Fuel Cost Adjustment

Effective November 1, 2016

**2.347¢**

For the most current FCA information, visit [www.vec.org](http://www.vec.org)

Volunteer Energy Cooperative is an Equal Opportunity provider and employer.