

Have a Safe and Happy Halloween



Help keep an accident from ruining this Halloween by considering these safety tips:

For Trick-or-Treaters

- Stay on sidewalks wherever possible. If there are no sidewalks, walk on the left side of the road – facing traffic. Obey all traffic signals.
- Stay in familiar neighborhoods. Only approach houses that are lit. Stay away from animals you don't know.
- Select costumes that are made of flame-retardant materials and that have reflective markings or tape. Carry only flexible knives, swords, or other props. Carry a flashlight. Make sure costumes don't drag the ground and that shoes fit properly.
- Make-up provides better visibility than masks. But if you select a mask, make sure you can easily breathe and see. Don't wear your mask when walking from house to house.
- Young trick-or-treaters should be accompanied by an adult. Older children should know how to reach you and you should know where they are going.
- Although tampering is rare, tell children to bring their candy home to be inspected before eating any. Look at candy wrappers carefully and throw away anything that looks suspect.
- Make sure your yard is clear of ladders, hoses, tools, or anything that could trip young ones. Use battery powered lights for pumpkins and other decorations instead of candles.
- Pets are easily frightened on Halloween. Put them up to protect them from stress and cars and to make sure they won't bite a trick-or-treater.
- Consider giving out healthy snacks such as mini boxes of raisins, packaged fruit rolls, or single-serve packages of low-fat popcorn or cereal.

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VOLUNTEER ENERGY COOPERATIVE
Powerlines is produced by the Volunteer Energy Cooperative's Marketing & Economic Development Department as a service to customers. Comments and suggestions can be e-mailed to vec@vec.org or mailed to VEC Marketing & Economic Development Department, P.O. Box 277, Decatur, TN 37322.



Another Way to Participate

by Bill Buchanan, President/CEO

As this issue of Powerlines goes to press, we are making final preparations for the 2004 Volunteer Energy Cooperative Annual Meeting. I have said many times that the annual meeting is a great time for the rank-and-file member to participate and be informed about what's new at their cooperative. But the annual meeting only happens once a year. I am glad to say that now there is another way for members to make their voices heard all year around and be informed on a state and national level about what is happening concerning the organizations that bring power to their homes.

The 100,000 members of Volunteer Energy Cooperative, along with all other electric cooperative members, now have an opportunity to contribute to the Action Committee for Rural Electrification® (ACRE®), the political action committee of the nation's electric cooperatives through the ACRE Co-op Owners for Political Action™ program.

The ACRE® Co-op Owners for Political Action program informs electric cooperative consumer-owners about legislative developments at the state and federal levels that could affect their cooperatives and their lifestyles. Along with providing information about legislation and other issues, the ACRE Co-op Owners for Political Action® program helps co-op residential consumer-owners to get their views heard by their elected officials on issues of importance to the cooperative and their members.

Joining ACRE® through ACRE Co-op Owners for Political Action® is an easy way for VEC members to stay informed on important issues, play an active role as citizens, and take part in making sure that their cooperative's voice remains strong at the nation's capital and the state legislature. VEC's ability to serve its members, their families and the local community depends on the determination of its consumer-owners to stand together as part of a grassroots network that sends a strong message to their elected officials on behalf of electric cooperatives. Participation in ACRE® through the ACRE Co-op Owners for Political Action® program helps cooperative members to maintain a grassroots presence that plays a vital role in promoting the long-term success of electric cooperatives and the communities that they serve.

Because they care about the customers they serve, many VEC employees are contributing members of ACRE's employee program. In fact, the VEC Board of Directors and management staff hold 100% Century Club memberships and have done so for a number of years.

For more information about the ACRE Co-op Owners for Political Action® program or to learn how to join, contact our Marketing and Economic Development Department at 423-334-7051.

POWERLINES

October 2004

Are Your Electricity Bills Higher?

Do you feel like more and more of your money is going to pay your electric bill? Across the nation consumers, on average, are paying more for electricity. Rates are rising in some regions and most families and businesses are using more electricity. That combination has led the average monthly electric bill in the United States to jump dramatically over the past 10 years.

But what you pay for electricity largely depends on where you live.

In Hawaii, where electric rates are the highest in the nation, consumers pay more than 15 cents per kilowatt hour. Volunteer Energy Cooperative rates, at slightly more than 6 cents per hour, are at the low-end of the nationwide scale.

And industry analysts say electric rates are not rising as fast as costs for many other goods and services. In fact, electric rates across the nation are growing more slowly than the rate of inflation. That means real electricity prices are actually declining.

"Electricity prices haven't gone up nearly as much as other goods and services," says Rodney Dunn, an electric power industry specialist at the Department of Energy's Energy Information Administration. "Consumption has increased due to a mix of things. We have more computers and appliances."

Today's more energy efficient appliances have not completely offset the increase in electricity use for the average American family. Ten years ago few homes had home computers, video game systems, and DVD players. Add to that the cost of charging batteries for hand-held computers, cell phones, remote control toys, and portable video game systems, etc. Many new appliances even use electricity when they are turned off.

Televisions, VCRs and DVD players, often use electricity even when they are turned off so the remote control will work. Many computer peripherals such as printers use energy when they are switched off to keep the display lit.

According to the Lawrence Berkeley National Laboratory, idle electronics account for about 5% of our average energy use. To save money, consider unplugging these appliances when they are not in use.

Will Deregulation Help Lower Electric Bills?

The answer to that question seems to depend on who you ask.

The Department of Energy is predicting that, partly because of deregulation, the average rate for a kilowatt hour of electricity in the U.S. will drop to about 6.6 cents by 2008. But many consumer advocates are skeptical of that claim.

"If you look across the country, the effect of deregulation has ranged from nothing to unmitigated disaster," says Mark Cooper, director of research at the Washington, D.C.-based consumer advocacy group Consumer Federation of America. "The free market has not produced any savings and market forces in the electricity industry are weak to nonexistent."

Deregulation critics point to the way electricity costs skyrocketed in California following deregulation and to big increases in electricity costs in Maryland and other deregulated markets as proof that predictions of big savings through deregulation were not realistic.

But the long-term effects of deregulation in the electricity industry are still not known.

What is VEC Doing to Help Keep Rates Low?

The first step VEC members took to keep rates as low as possible was to form the organization as a cooperative. The company is owned by member/customers who get their electricity from VEC.

That helps keep rates low because VEC has no stockholders or owners who expect to receive an annual return on their investment. This annual return goes to customers who see it in the form of lower rates.

Electricity customers who joined to create VEC had a mission: "To provide our customers with reliable, safe, and efficient services in a courteous and timely manner at a competitive cost."

VEC management and board members continue to weigh decisions

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VEC Customers Share A Little Can Go a Long Way



VEC Customers Share Board Member Bobby Scott, center, presents a grant check to Susan Beds, left, and Linda Kath, right, of the Girl Scouts of Moccasin Bend Council.

Absolute Auction Volunteer Energy Cooperative to Sell Surplus Vehicles

Volunteer Energy Cooperative (VEC) will sell surplus vehicles and equipment at absolute auction on Saturday, October 9, 2004 at VEC's Decatur Customer Service Center on Highway 58 North in Decatur.

The sale is slated to begin at 10 a.m. (ET). Vehicles for sale will be available for inspection from 1 p.m. to 6 p.m. (ET) on Friday, October 8 at the same location. All vehicles purchased must be paid for on the day of the sale by cash or check.



Volunteer Energy Cooperative will be offering surplus vehicles like the ones pictured for absolute auction. Following is a partial list of vehicles to be auctioned*:

1997 Chevrolet 4WD Truck	1994 Chevrolet 1/2 ton
1998 Chevrolet Blazer 4WD 144,670 miles	1998 Chevrolet 4x4
1996 Chevrolet 4x4 173,839 miles	1999 Chevrolet 4WD Truck
1993 Chevrolet 4WD 120,546 miles	2002 Chevrolet 1/2 ton
1995 Chevrolet PU 4WD 161,504 miles (Wrecked)	1996 Ford 4x4 Ext. Cab
1998 Chevrolet PU 121,558 miles	1995 Chevrolet 4WD
1987 Chevrolet 4x4 55,735 miles C&C diesel	1995 Chevrolet 4WD 152,241 miles
1994 Chevrolet 1 ton with Uty. body diesel	1995 Chevrolet C&C diesel
1995 Chevrolet 1 ton with Uty. body diesel	1995 Chevrolet C&C diesel

* We reserve the right to add or delete from this listing.

Are Your Electricity Bills Higher?

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based on fulfilling this mission.

As required in its contract with the Tennessee Valley Authority (TVA), VEC uses member equity to help fund the demand for system growth. Some politicians and lawyers have recently tried to argue that these capital credits should be returned to customers. Doing this would require that VEC take out loans to fund system growth – loans that would have to be repaid by raising electricity rates.

Last year TVA increased the rate it charges VEC for electricity. VEC was forced to pass this increase along to customers. But, unlike many utilities, VEC did not “piggyback” its own rate increase onto TVA's increase. Even though the cost of delivering electricity continues to rise, and even though VEC has the additional burden of serving fewer customers per mile of transmission line than the vast majority of utilities, VEC has raised rates just once over the past decade.

As the cost of delivering electricity continues to rise, VEC's board of directors may be forced to face the tough decision of rate restructuring to meet these higher costs. But the directive to keep rates as low as possible has guided VEC since its inception and will continue to guide VEC through the future.

In addition to keeping rates as low as possible, VEC is also committed to helping members lower their costs as much as possible.

Through the TVA energy right@ program, VEC offers financing help for members to purchase high-efficiency heat pumps. VEC also provides as much information as possible to members on how to conserve energy, and tools such as Levelized Billing and bank draft bill payment help members manage their electricity costs efficiently.

Regardless of what happens on the local, regional, or national level, VEC management and staff are committed to keeping rates as low as possible. That's a commitment that has guided VEC since its inception and it's a mission that will serve VEC customers through the future.

Coming to a Telephone near You...

Volunteer Energy Cooperative (VEC) is making it easier for customers to report outages and receive account information over the telephone.

VEC's Interactive Voice Response (IVR) telephone system is scheduled for a major upgrade this fall. New and easier to understand menu options are being installed to improve and simplify the process.

The changes are being developed now, and customers will be notified as soon as the enhancements are ready to be put into operation.



Now an even better reason to love your new electric heat pump...



A FREE water heater!

For a limited time, Volunteer Energy Cooperative customers who install a new heat pump through the TVA energy right@ program will receive a free water heater (with a lifetime warranty) for their home. Contact one of the participating dealers below for details.

Action Heating & Cooling, Inc.

1114

A-Team Heating & Cooling

1114

Jamestown, TN - 931-879-5656

C & E Heating & Air Conditioning

4024

Memphis, TN - 423-745-0024

CHASE Heating & Air Conditioning

1114

Memphis, TN - 423-337-0037

Hess Mechanical

1114

Benton, TN - 423-338-1110

Mechanical Systems

1114

Charleston, TN - 423-336-5739

Shelbyville, TN - 423-337-0037

Miller Heating & Cooling

1114

Crossville, TN - 931-456-8474

Petree Heating & Cooling

1114

Crossville, TN - 931-456-8888

VEC
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e
energy right®

TVA

VEC Upgrading Bradley County Service

Volunteer Energy Cooperative (VEC) is making a \$2 million investment in upgrading service in northwest Bradley County.

Rody Blevins, VEC's vice president of System Planning and Engineering said VEC is making major renovations to the Hopewell Substation on Rabbit Valley Road off Highway 60. He said the improvements will double the substations existing capacity, improve the system's reliability, and lower costs.

Blevins said the Hopewell Substation overhaul has three major components.

- + VEC is doubling the substation's current capacity to accommodate growth in the area.
- + VEC will receive delivery of electricity from TVA at 161,000 volts instead of receiving it at the current level of 69,000 volts. Blevins said this will enhance the reliability of the system and result in fewer outages.

"We experienced more frequent outages from TVA on the older 69,000-volt lines," Blevins said. "They have a lot fewer outages on the 161,000-volt lines."

- + VEC will be able to distribute power at 25,000 volts instead of at the current level of 12,000 volts. Blevins said this will reduce the amount of energy VEC loses along the distribution lines and that will cut costs.

"This represents about a \$2 million investment for VEC," Blevins said. "We're spending about \$1.5 million on the new substation equipment, about \$150,000 to upgrade the feeder lines, and about \$250,000 on other equipment such as transformers and other necessary items to make the switch."

Blevins said VEC crews will also be replacing several utility poles in the area.

The newly revamped substation is expected to be ready for operation by mid-November and at that time VEC customers may experience a growing pain or two.

"Customers will experience a brief outage of about 45 minutes to an hour as we switch over all the transformers along the lines to accommodate the higher voltage," Blevins said.

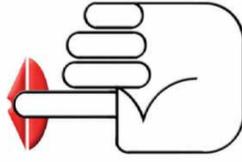
Blevins said he expects this to happen sometime between mid-November to early December. VEC will notify newspapers and radio stations in the area to provide customers with advance notice of the planned outages.



Hopewell Substation

Volunteer Energy Cooperative crews, as well as contract crews, are working on major renovations at the Hopewell Substation on Rabbit Valley Road in northwest Bradley County.

Share Your Secrets



With the holidays just around the corner, now is a great time to share a favorite recipe with other Powerlines readers. Please make your recipes as detailed as possible and include your name, address, and phone number. Your address and phone number will not be published, but may be helpful to us in case we have a question or need more information about your recipe.

Submit recipes to:

Volunteer Energy Cooperative, Attention: Robert McCarty, P.O. Box 277, Decatur, TN 37322 or email them to rrmccarty@vec.org. If you prefer that your name or city not be printed, include this information with your recipe.