

Temperature Fluctuations Have Big Impact on Electric Bills

Changes in the weather are the biggest single factor that affects fluctuations in your electric bill.

The price of other fuel sources may vary from season to season or from the time of day you use it. But Volunteer Energy Cooperative's electricity rates are stable. Over the years VEC has earned a reputation for rates that are steady and well below the national average.

On average 60% of your electric bill goes for heating and cooling costs. Throughout the year, and even during a single season of the year, temperature fluctuations can cause dramatic shifts in your electric bill.

If you keep your home's thermostat set at a constant 70 degrees, your home's heating and air conditioning systems will use the amount of energy necessary to maintain that temperature. If the temperature outside is 68 degrees, your heating system will use very little energy to maintain the interior temperature at 70 degrees. If the temperature drops to 63, your system will use more energy and if the temperature drops to 55 degrees, your system will use even more energy.

The reverse is true in the summer with air conditioning. As the temperature outside rises, your system must use more and more energy to maintain a constant interior temperature.

The most economical way to heat and cool your home is with an energy efficient, all-electric heat pump. And electric heat pumps work most efficiently when they are left at a constant setting.

Plugging leaks in your home, cleaning and maintaining your heat pump, and keeping your heat pump at a reasonable, constant setting are good ways to save money on your electric bill. Another good way to avoid big fluctuations with your electricity costs is to sign up for VEC's Levelized Billing plan.

With Levelized Billing a 12-month rolling average is used to calculate your electricity bill. Your bill may vary by a few dollars from month to month, but it eliminates the big variations that are caused by seasonal weather shifts. And there is no big bill to pay during a "true up" month.

For more information on VEC's Levelized Billing plan or money saving tips to keep your energy costs down, visit www.vec.org or visit your local VEC Customer Service Center.

Make Sure VEC has your Correct Phone Number

When a power outage happens - Volunteer Energy Cooperative employees want to restore your power as quickly as possible. And we know you want power restored quickly also.

To streamline the outage reporting system and speed up the power restoration process, VEC is using an Interactive Voice Response (IVR). The IVR system helps receive and organize outage reports so VEC crews can get power restored in the fastest and most efficient way possible.

The key to allowing the system to operate as efficiently as possible is having your correct phone number on file with VEC.

Please fill out this form and mail it in with your bill payment or drop it off at your local VEC Customer Service Center.

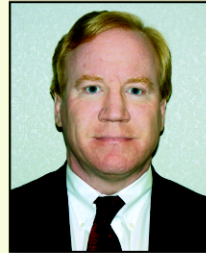


Name: _____

VEC Account Number: _____

Address: _____

Phone Number: _____



VEC to Open New Spring City Office

By Rody Blevins President/CEO

Volunteer Energy Cooperative (VEC) has undertaken a major project to improve service in the Spring City area.

Our Spring City office was hit particularly hard by flooding in September of 2004. VEC's management and

Board of Directors have been exploring the possibility of opening a new Customer Service Center. Our current Spring City office at 144 Ellis Street had suffered flood damage before. The new technologies and procedures we employ to better serve our growing number of customers in the area convinced us that it is time for an upgraded facility in Spring City.

We've purchased property for the new Spring City Customer Service Center near the site of Spring City Middle School at the intersection of Highway 127 and Cemetery Road. Upland Design Group has been awarded the contract for architectural services.

We are hoping to have the new office ready for business by the end of this year.

The new office will provide better access for our customers as well as improved facilities for our crews and customer service representatives to better serve our customers. The new office will include a drive-through window that will be much more convenient for customers, as well as updated facilities that will allow VEC to integrate the latest improvements in customer service technology.

Our Ellis Street office has served us well for many years, but we are excited to be moving into a facility that will better accommodate our efforts to provide the best customer service possible to our members in the Spring City area.

We are also currently working on preliminary plans to upgrade our facilities at our Georgetown Customer Service Center. It is still very early in that process, so I can't provide a firm time line for that project. But we will be equally pleased to update you on the status of that undertaking as plans progress.



VEC's Spring City Customer Service Center suffered from severe flooding again in 2004.



VEC officials have been weighing options for a new Spring City Customer Service Center.

Now Showing... At a Computer Near You

Volunteer Energy Cooperative's new, improved website is easy to navigate, contains a wealth of information and offers a quick and convenient way to check your account and even pay your electricity bill online.

The new website is located at www.vec.org and it includes the latest VEC news, product and service information, a community calendar of events, money saving tips, safety information, and a host of related links that are designed to save you money and make your life easier.

Another much-anticipated new feature on the VEC website is electronic bill presentation and online bill payment.

You can access your account, view your electric use history and payment history; and as of March 1, pay your current bill from the convenience of your computer.

VEC customers who want to take advantage of online bill payment can link to the service through Volunteer Energy Cooperative's website at www.vec.org. VEC will accept Visa and e-check payments online.

VEC customers are also invited to publicize local community events on the site's community calendar of events. To post an event simply follow the link and instructions on the site. Events submitted will be reviewed for appropriateness and will be posted on the website's calendar of events. You must submit a valid email address to post an event.

"We've listened to what our member/customers wanted most on our website and we've worked hard to provide it," said VEC's Vice President of Marketing and Economic Development Patty Hurley. "From industrial sites available in the VEC service area to events happening in the local communities we serve, the website has a little bit of everything."

Hurley said she is expecting the biggest response from V-E Bill, the cooperative's online account review and bill payment feature.

"Many of our member/customers have expressed an interest in being able to pay their electricity bill online," Hurley said. "We're pleased to be able to offer this new payment option."

VEC's Vice president of Information Technology Duell Grubb said linking software systems in a way that provides the maximum amount of security was a challenge that VEC has been working to tackle for quite some time. He said that initially, the site offered electronic bill presentation only. This allowed customers to view their use and payment histories, but did not offer a bill payment option.

"We've tried to work steadily toward the bill payment option," Grubb said. "But we wanted to make sure we could link all the data we needed to in a secure way before including this feature on the website."

Hurley said the site includes a wealth of other features that will be valuable for VEC members/customers and to others as well.

An archive of VEC news releases, a wealth of safety and money-saving advice, extensive information on VEC products and services, and how to prepare for and what to do in the event of an outage, are just a few of the topics covered extensively on the new VEC website.

"It's really difficult to talk about everything on the site," Hurley said. "The only way to get a good feel for what is there is to browse it yourself. And we invite comments and suggestions for improvement from our customers. The site will always be a work in progress."



The newly redesigned VEC website offers a wealth of information at your fingertips.



Online bill payment will be available March 1st on VEC's new website.

VEC Customers *Share*

Neighbors Helping Neighbors

By allowing their electric bills to be rounded up to the next dollar Volunteer Energy Cooperative (VEC) customers funded \$33,000 in community service grants in December. Since the inception of the program in October 2001, a total of \$1,668,601 in grants has been awarded. The deadline for grant applications is the last 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.

Organizations receiving grants in November include:

Midway Middle School Science Club - \$3,000; Food Bank Support Club of Allardt - \$2,600; McMinn County Education Foundation - \$2,000; Pickett County Junior High School Football Boosters - \$2,000; Wilson Elementary School (Crawford) Parent Teacher Group - \$1,700; Mineral Springs Hunger Relief Ministry - \$1,500; Project Helping Hands of Cleveland - \$1,500; South Cumberland County Elementary School PTO - \$1,500; Neighbors Together (Pleasant Hill) - \$1,500; Bread of Life Rescue Mission (Crossville) - \$1,500; Cleveland State Community College Foundation - \$1,200; Meigs County Fair Association - \$1,100; Crab Orchard Care Center - \$1,000; Veterans of Foreign Wars Post 5146 (Athens) - \$1,000; Monterey Civitan Club - \$1,000; Meigs County Future Business Leaders of America - \$1,000; Winesap Community Food Bank (Crossville) - \$900; Polk County High School Student Council - \$900; Kiwanis Club of Spring City - \$900; Greater Chattanooga Public Television Corporation - \$800; Veterans of Foreign Wars Post 7974 (Benton) - \$800; Meigs County Health Council - \$500; Crossroads of East Tennessee (Cleveland) - \$500; AmVets Post 90 (Decatur) - \$500; McMinn County Historical & Heritage Society - \$500; Lady Tigers Booster Club (Ten Mile) - \$500; Linsdale Community Services - \$500; Mayland Community Organization, Inc., - \$400; and Calhoun Elementary School Booster Club - \$200.



VEC Customers Share Board Member Nell Whittaker (center) presents a grant check to Becca Davis (left) and Taylor Shaw (right) of the Meigs County High School Future Business Leaders of America Club.

Don't Let Thunderstorms Come as a Shock to You



The Surge Sentry system protects your home's appliances and electronics from electrical spikes.

As temperatures start rising, so do the chances of thunderstorms. And when thunderstorms hit, lightning can be a serious threat to personal safety. It can also cause power outages and create serious problems for your electronic equipment and electric appliances.

The best atmospheric scientists in the world can determine exactly when or where lightning will strike but there is one thing we can be certain of – it will strike. And when it comes to thunderstorms and lightning, the best defense is to be prepared.

Volunteer Energy Cooperative (VEC) offers Midland weather radios at all its customer service centers. Lightning has been known to strike more than 10 miles from the storm in an area of clear sky above. So just looking up at the sky may not provide a true indication of whether or not a threat exists.

The Midland weather radios offered by VEC can be set to monitor several different counties and provide an alert when threatening weather is approaching. They have a battery backup and also operate on your regular household current.

It's also important to prepare a thunderstorm/power outage kit that includes:

- Canned/packaged food
- Fresh water (bottled)
- Blankets
- Battery-operated radio
- Flashlight with fresh batteries

It's also important to prepare now by sending in the phone number update form that is in this edition of *Powerlines* so an outage at your home can be restored in the most efficient way.

Lightning, high winds and heavy rains can also cause electrical spikes. You can protect your home's appliances and your sensitive electronic equipment by signing up for VEC's Surge Sentry program. With Surge Sentry's warranty-backed protection, you will have one less thing to worry about during threatening weather.

For more information on the Surge Sentry program you can contact your local VEC Customer Service Center or visit www.vec.org.

During a thunderstorm:

- Do not take a shower or bath. Water and copper tubing are excellent conductors of electricity.
- Stay away from windows. A central location in the house in an area away from doors and windows is the safest.
- If power goes out, immediately report it to VEC and then avoid using a phone. (Phone lines may also conduct electricity.)
- Never touch downed power lines. Dial 911 or VEC immediately to ensure that the line is turned off so repairs can be made.

During a power outage:

- Report the outage immediately to VEC.
- Unplug major appliances to prevent a system overload when power is restored. Gradually plug in and turn on appliances after power is restored.
- Avoid opening your refrigerator and/or freezer. The appliance will keep food fresher longer if the door is kept shut.
- Use battery powered flashlights rather than candles whenever possible to avoid the threat of fire.



The Midland weather radio offered by Volunteer Energy Cooperative keeps you alerted to severe weather threats.

VEC Moving Ahead With Automated Meter Reading

Electricity is essential to our way of life, making reliable service more important now than ever. Volunteer Energy Cooperative is committed to providing the most reliable service possible and providing our customers with this service at the most affordable costs possible.

The automated meter reading program that VEC is undertaking will assist in meeting both of those goals.

VEC President/CEO Rody Blevins announced last month that VEC is beginning a 4-year, \$9.2 million project to automate the cooperative's meter reading functions in March. VEC is beginning the first stage of that project this month at the Sanford, Ten Mile, West Crossville, and Harrison Bay substations.

Blevins said VEC hopes to have these systems up and running by early summer and additional locations will gradually be added onto the automated meter reading (AMR) system.

One of the main functions of the AMR system will be to efficiently and accurately gather billing information. Eliminating opportunities for errors in the meter reading and data entry aspects of billing is an important benefit of the AMR system. But the AMR system will help VEC manage load demands better and also help speed up the power restoration process in the event of an outage.

The customer's meter will be constantly feeding information to the AMR system. If that information from a customer's meter stops, we can tell that there is either some equipment malfunction or the customer is out of power.

For example, suppose a tree limb brushes up against a distribution line which causes a fuse to blow on the line. With conventional methods, the outage is first identified only when a customer calls to notify VEC that their power has gone out. If this customer is at the end of the feeder, VEC crews would be forced to check all the fuses on the feeder and then check the section down line from the fuse to find the cause of the outage.

With VEC's AMR system tied into the cooperative's Supervisory Control and Data Acquisition (SCADA) system, managers can quickly identify affected customers and view all the equipment on the feeder. That allows crews to quickly pinpoint the source of the trouble and restore power much more quickly.

The technological innovations of the AMR system provide benefits beyond just reading meters. A good case could be made that the increased efficiency in meter reading and billing alone make VEC's AMR project a beneficial one. When you consider the secondary benefits and applications of the AMR project, it is easy to see that the time is right for VEC to move ahead.

Fuel Adjustment May Increase Rates

At press time, TVA was considering including a fuel adjustment charge in their electric rate schedules. The proposed charge is expected to increase rates for VEC customers and for customers of distributors across the Tennessee Valley. We will keep you informed of any developments regarding changes in rates by TVA.