

Lillard-Shadow Scholarship Applications Available

The March 2 deadline for graduating seniors to apply for one of four Volunteer Energy Cooperative Lillard-Shadow scholarships is fast approaching.

VEC will be awarding four \$2,000 college scholarships to members of the graduating class of 2007 through the Lillard-Shadow Scholarship Program.

Applications are available at all VEC Customer Service Centers and in the guidance office of the following high schools: Pickett County High School, York Institute, Clarkrange High School, Cumberland County High School, Stone Memorial High School, Monterey High School, Rhea County High School, Midway High School, Meigs County High School, McMinn County High School, McMinn Central High School, Bradley Central High School, Cleveland High School, Walker Valley High School, Chattanooga Central High School, Polk County High School, and Ooltewah High School.

Applications are also available at VEC customer service centers and online at www.vec.org.

Students who are dependents of VEC electricity customers attending high schools not listed above are also eligible for scholarships. Students who are dependents of VEC or TVA employees are not eligible.

The scholarships honor the community spirit of Willis A. Shadow, the University of Tennessee Agricultural Extension Agent for Meigs County in 1933 and J.W. Lillard, a Meigs County attorney. Their leadership was instrumental in creating Meigs County Power Association, the organization that would ultimately become Volunteer Energy Cooperative.

Because of this history an applicant's community service activities and citizenship are weighed heavily by an independent panel of judges who determine scholarship winners. Volunteer Energy Cooperative is committed to the strength of individuals and organizations in its service area and recognizes the importance of volunteerism and community activities to a young person's growth. This scholarship program will reward students who have "given back" to their communities by assisting the students with college costs.

Completed application packets, including all documentation, must be received at Volunteer Energy Cooperative's Corporate Headquarters in Decatur, Tennessee no later than 5 p.m. EST on March 2, 2007.

www.vec.org

VEC
VOLUNTEER ENERGY COOPERATIVE

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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.

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POWERLINES



Ounce of Prevention Really is Worth a Pound of Cure

By Rody Blevins President/CEO

We've all heard the old saying, "An ounce of prevention is worth a pound of cure." The wisdom of that saying is never more apparent than when we apply it to power outages.

We will probably never be able to completely eliminate all power outages. But at Volunteer Energy Cooperative we are taking an aggressive approach to prevent as many power outages as possible and to shorten the duration of outages when they occur.

During 2006 we began a much more aggressive program of maintaining rights-of-way.

I'm sure no one would be surprised to find out that trees and tree limbs falling into power lines is the number one cause of power outages. To prevent as many of these outages as we can, we are putting extra crews in the field to trim trees back away from power lines. In the last 18 months we have completed 222.3 miles of right-of-way clearing in the Jamestown, Fairfield Glade, Harrison Bay, Hopewell, McDonald, and Ten Mile areas.

In 2007 we plan to maintain this demanding schedule of clearing.

This means putting extra crews in the field and it also means the occasional complaint from a homeowner who doesn't like the way the trees look after we trim them. But maintaining a system that is as reliable as possible has to be a top priority.

Another way to prevent some outages and shorten the duration of outages is through our pole inspection and treatment program. In 2006 we inspected 10,000 poles and changed out 651 poles that we found to be flawed. In 2007 we are beefing up that program and we plan to inspect 15,000 poles this year.

When a major storm hits, the majority of outages are caused when wind, rain, and/or ice bring trees and tree limbs down into power lines. But when the weather is severe enough to bring down a power pole, outages last longer because of the time and effort it takes to replace a pole.

That's why this pole inspection program is so important. It will help us restore power much more quickly when these severe storms hit. It's also important because when we inspect poles, we also inspect our equipment that is mounted on these poles. Catching a potential problem early is always better than fixing a problem after it has already caused an outage.

Making these commitments to system maintenance will pay off in fewer and shorter outages.

After a power outage, we often receive very nice letters and our crews in the field often receive appreciative comments from folks who are happy that we've been able to restore their power quickly. We are very grateful for all these kind words. But it's the kind of praise that we will be happy to do without - if we can prevent the outage in the first place.

When Temperatures Go Down, Electric Bills Can Go Up

Use These Tips to Keep the Lid on Your Electric Bill This Winter

Keeping electric bills under control during a cold snap doesn't require a degree in rocket science. If you are willing to develop some good energy-saving habits this winter, you can save money, save energy and still remain comfortable.

If you heat your home with a new, energy-efficient heat pump - congratulations. You're already halfway there. If you use another type of heating system that is more than 15 years old, consider replacing it with a new energy-saving heat pump. Volunteer Energy Cooperative (VEC) can help with TVA's *energy right*® program.

Another great way to battle electric bills that spike in extremely cold or extremely hot weather is to sign up for VEC's Levelized Billing option. Levelized Billing means no big swings in your electric bill. It takes the guesswork out of your household budget.

VEC is also partnering with TVA to provide a free home energy evaluation to help you pinpoint specific ways you can save on energy costs. See the coupon in this issue of *Powerlines* for more information.

Here are more tips on how to keep from wasting energy and money this winter:

If you haven't replaced your heating system's air filter in the last month, do it now. A dirty filter will reduce air flow which makes your system work harder. Also, cover the filter slot with a piece of wide tape to keep air from getting in around filter edges without passing through the filter.

Be sure your ducts are delivering all the warm air they can. If you can see the duct seams where the metal comes together, seal these joints with shiny foil tape with a UL-181 label or duct mastic (also called duct sealant).

You can also take off the duct registers in your rooms (usually all you need to do is back out two screws) and check the connection between the duct and the drywall. You may see a gap. This gap allows heated air to escape into the walls. Cover this gap with foil tape or fill it with duct mastic. Also, with the register off, check for any other gaps that would allow heated air to flow behind walls. If there is a gap or a hole, seal it up.

If you have any ducts that run into the attic or through a cold basement or crawlspace, be sure the ducts are well insulated. If the insulation is missing or falling off, most home improvement stores sell insulation for ducts. Try to insulate to at least an R-6. Be sure to seal any leaks in the ducts first, then wrap the duct in insulation. If you have flex-duct (shiny metal flexible duct tubes), be sure there are no rips or tears and the ducts are as straight as possible.

You can also prevent heat loss by sealing air leaks around window and door frames with caulk or weather stripping.



How can bowling help school children?

Find out at www.vec.org

VEC Customers Share

Grants of \$29,300 in November

Volunteer Energy Cooperative's VECustomers Share program exemplifies the cooperative spirit. By pooling their change each month, VEC customers have funded more than \$2 million in community service grants.

In November VECustomers Share granted \$29,300 to community service projects. Since the beginning of the fiscal year in October \$68,100 in grants has been awarded. A total of \$2,030,351 has been funneled back into communities since the program began in October of 2001.

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:

South Cumberland PTO - \$2,000; Pickett County Boys Booster Club - \$2,000; McMinn County Foster Care Association - \$2,000; Clarkrange Volunteer Fire Department - \$2,000; Monterey Fire Department - \$2,000; Meigs County Lions Club - \$1,900; Cleveland Amateur Radio Club - \$1,900; Polk County Food Bank - \$1,500; Candlelighters Family Support Group - \$1,000; South Roane County Volunteer Fire Department - \$1,000; Brown Middle School Basketball Boosters - \$1,000; Tennessee Jaycee Foundation - \$1,000; Creating Christmas Memories of Cleveland - \$950; Parents' Night Out of Spring City - \$800; Pine Haven Jump Rope Club of Jamestown - \$800; Kiwanis Club of Spring City - \$800; Pine View Chess Club of Rockwood - \$750; Coordinated Charities of Athens - \$500; Midway Athletic Club - \$500; Kingston Rotary Club - \$500; Midway Quarterback Club - \$500; Springtown Community Support Group - \$500; Creative Compassion, Inc., of Crossville - \$500; Mineral Springs Youth Group of Monterey - \$500; Columbia Hill Baptist Church Youth Group of Monterey - \$500; Chilhowee Middle School Boys Basketball Boosters of Benton - \$250; Rhea County High School Golf Booster Club - \$250; Chilhowee Middle School Girls Basketball Booster Club of Benton - \$250; Relay For Life Committee of Athens - \$250; Benton Elementary School PTO - \$250; McMinn County Historical Society - \$250; Girl Scout Daisy Troop 387 of Jamestown - \$200; and Charleston School Recreational Basketball Teams Boosters - \$200.



VECcustomers Share Board Member Nell Whitaker, center, presents a \$2,000 grant check to Melissa Archer, right, and Janice Ballew of the McMinn County Foster Care Association.

Generation Partners® Program Won't Make you Rich, but it Will Push Technology & Help the Environment

At Volunteer Energy Cooperative we are proud to have our first participants in The Tennessee Valley Authority's Green Power Switch Generation Partners® program. Larry Culver and Janice Figel of McMinn County bought a home that included more than \$20,000 in solar energy equipment.

Their solar panels produce enough electricity to charge 24 batteries that they use to power most of their home's first floor outlets. When the batteries are fully charged, the electricity the panels generate is bought by TVA, through VEC, at 15 cents per kilowatt hour.

This reduces their electricity bill. However, their motives are less financial and more about good environmental stewardship. They realize the Generations Partners® program is not a get-rich-quick scheme.

The Generation Partners® program has created quite a bit of interest and there's plenty of misinformation floating around out there on the program.

The Generation Partners® program IS NOT a quick and easy get-rich quick scheme. There are unscrupulous folks out there making all kinds of irresponsible claims that a small investment (usually in some equipment they are selling) will allow you to tap into this program. They claim you will not only generate enough electricity for your own needs but you will also have surplus electricity that you can sell back to your power company at huge profits.

That is simply not true.

But the Generation Partners program® IS a great way to work toward a cleaner environment and help boost renewable energy technology.

Generation Partners® IS a program that provides support and incentives for the installation of solar and wind generating facilities. The program also creates a market for small-scale green power generation by homeowners and small businesses. TVA will purchase 100 percent of the green power output at a rate of 15 cents per kilowatt-hour. Residential users may also qualify for an additional \$500 incentive to help offset start-up costs.

Payment is made in the form of a credit issued by the local power distributor on the monthly power bill for the home or business where the generation system is located. Payments are guaranteed for 10 years from the date of the contract. Energy consumed at the home or business, whether it is generated at the site or delivered over the local power distribution system, is billed at the standard rate.

All equipment must be in compliance with national standards and all applicable codes and be certified by a licensed electrician.

GPS Generation Partners® supports the environment by helping keep the Tennessee Valley clean and green. And program participants will also be helping themselves by defraying investment costs and lowering their monthly energy bills through the revenue they receive from the sale of the green power.

But another benefit is that as more and more people get involved in renewable energy generation, the technology will become more efficient and more affordable. Since Culver and Figel's equipment was installed a few years ago, the technology has advanced and has become a little more affordable. And as demand for this technology increases even more, it will become more advanced and cheaper.

At VEC we are happy to be part of this program and we're proud to be working along with our Generation Partners® toward a healthier environment.



Janice Figel, right, shows VEC President/CEO Roddy Blevins some of the equipment that helps transform solar energy into electricity at her home in McMinn County.

TVA's First Fuel Cost Adjustment Comes in January

TVA applied its first Fuel Cost Adjustment (FCA) charge to customers beginning in January. Volunteer Energy Cooperative (VEC) customers are seeing a slight increase on their January bills that averages from 10 to 15 cents.

In July of 2006 TVA's board of directors approved the use of the FCA to adjust TVA's wholesale rates to reflect changes in costs for coal, natural gas, and electricity that TVA purchases.

VEC was forced to pass this increase along to customers. VEC shows the exact charge for each customer as a line item on each customer's bill.

The FCA for January, February and March is just over one hundredth of a cent (0.011 cents) per kilowatt hour. TVA adjusts the FCA each quarter based on the difference between TVA's budgeted fuel cost for the quarter and the most recent forecast amount.

TVA reports the adjustment for the first quarter of 2007 is necessary because of increased coal costs.

The FCA was designed to help reduce the need for rate increases in the future by better matching revenues to changes in costs for fuel and purchased electricity.

VEC President/CEO Roddy Blevins said VEC is forced to pass along the FCA to customers, but said VEC is simply passing along the charge and is gaining no additional revenue through the FCA.

Important Reminders for Online Bill Payments

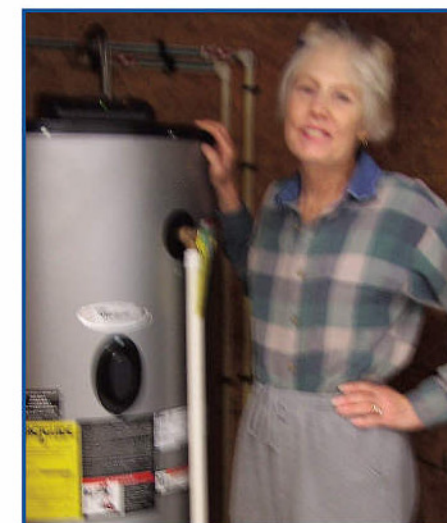
If you are paying your electric bill via your bank's online bill payment service, here are a couple of tips to make sure your payment is credited properly.

Be sure to specify the VEC account number that is to be paid.

The correct VEC mailing address for online banking payments is P.O. Box 22222, Decatur, TN 37322-2222.

Paying your bill from your bank's online bill payment service does not guarantee that funds are immediately transferred. In some cases this transfer can take several days.

To ensure a prompt credit with your online payments, you can use VE-Bill, Volunteer Energy Cooperative's online bill pay service located at www.vec.org.



VEC customer Ann McGregor enjoys the benefits of the VEC/TVA Lifetime Warranty Water Heater Promotion in her energy right® all-electric new home.



Free Home e-Valuation®

Complete and mail your Home e-Valuation® survey to learn more about your personal energy use and receive suggestions for lowering your energy costs.



Pick up a copy of the Home e-Valuation® survey at your local VEC Customer Service Center or complete the following information and mail the completed coupon in with your electric payment to have a copy of the survey mailed to your home.

Name: _____

Mailing Address: _____

City: _____ ST: _____ Zip: _____

VEC account number: _____

To complete the survey online, go to: www.energydepot.com/energyright/security/energykillogon.asp

Customers who mail their Home e-Valuation® surveys by April 15, 2007 will receive a free energy conservation kit in the mail.