

Project Deserve Needs You

Volunteer Energy Cooperative's Project Deserve program allows you to help the elderly, handicapped, low income and unemployed with their electric bills in emergency situations. You can do this by pledging a specified amount of money to be added to your monthly bill.

All funds collected through Project Deserve go directly to an energy fund. No funds will be used to administer the program. Eligibility will be determined solely by human resource agencies and/or community relief groups in all or portions of the VEC's 17-county service area.

Winter weather is on the way, and this is the time of year when more families ask Project Deserve for assistance with their electric bill. Your contribution to Project Deserve will help these families in their time of emergency.

You may contribute monthly or you may make a one-time contribution. One-time contributions should be mailed to Project Deserve, P.O. Box 277, Decatur, TN 37322. Should you ever wish to cancel your monthly Project Deserve contribution, you can do so by contacting your local VEC customer service center.



VEC Has the Holidays Covered

Electric Grills, Smokers & Weather Radios Make Great Holiday Gifts
Cooking and clean-up is a snap on these solid, American-made appliances. All operate on a standard household outlet.



Deluxe Electric Cart Grill

Food view window, sturdy construction, removable side trays, and lower shelf.
\$134.99 + tax

Deluxe Electric Smoker/ Grill Combo

Grill or smoke foods easily with minimal clean-up.
\$77.99 + tax

Stainless Double-Grid Electric Water Smoker

Top-of-the-line model, stainless steel hood and body.
\$149.99 + tax



The Meco Portable Electric Grill

A large cooking area fits neatly into this compact, tabletop design.
\$66.00 + tax

WR-300 Midland Weather Radio

Be prepared for whatever Mother Nature dishes out with a Midland weather radio.
\$74.95 + tax



Available at your local VEC Customer Service Center.

www.vec.org

VEC
VOLUNTEER ENERGY COOPERATIVE

vec@vec.org

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

Newsletter of Volunteer Energy Cooperative



Annual Report Reflects Growth of FY 2006-07

By Rody Blevins President/CEO

I recently presented copies of Volunteer Energy Cooperative's 2006-2007 Annual Report to those who attended our Annual Meeting in Decatur. If you were unable to attend the meeting but would like a copy of the report, copies are available at your local VEC Customer Service Center. I will relate some of the highlights here:

Volunteer Energy Cooperative is the provider of electricity to all or parts of 17 counties here. At the end of the fiscal year 2006-07, VEC is serving 107,466 residents, maintaining 8,738 miles of electrical line and 32 substations, and distributing more than 2.2 billion kilowatt hours of electricity per year. While some areas of the U.S. experienced an economic slow-down this year, growth in the VEC service area remained strong. The VEC customer base grew by more than 2,500 new customers this year. VEC has added more than 10,000 customers in the last five years. To meet this growing demand for electric service, VEC invested over \$20 million in new electric plant during 2006-07.

To keep pace with this growth, a new Fairfield Glade substation in Cumberland County was energized as was a new substation in South Bradley County. We are in the process of rebuilding the substation that serves the Monterey area in Putnam County. This year VEC also staffed a new in-house Call Center to provide a variety of customer information and services. Newly adopted automated systems and new technologies are allowing VEC to offer "self-serve" options for customers whose busy lives demand more than the typical 8-to-5 operations.

The Cooperative now routinely uses the Interactive Voice capability – the IVR – to inform customers of planned outages, past due balances, and other Cooperative news. Customers are using the IVR more and more to report outages and the IVR and VEC web page are becoming popular places to get information and pay bills.

The Automated Meter Reading (AMR) project, which began last year, continues. The goal is to have automated meters at all customer locations in the next 3 years. The AMR system saves on the costs of meter reading and enables us to pinpoint trouble quickly and efficiently.

In 2006-07 we increased our focus more on efficiency and maintenance of the electric system. Crews inspected 15,993 poles this year and changed 804 aging poles. An increased emphasis on electric system improvements, purchasing more energy-efficient transformers, and right-of-way maintenance led to lower system losses; the line loss percentage stood at 5.07% at year's end. In the last four years, line losses have dropped over 30%, resulting in a savings in fiscal year 2006-07 of more than \$2 million. VEC rates are among the lowest in the nation. Despite rising costs for fuel and materials, the VEC was able to offer customers a slight decrease in rates in October of 2007. The 2007-08 fiscal year promises to be exciting and I am looking forward to building on our success.

Why Does My Electric Bill Vary From Month to Month?

At one time or another, most of us have been surprised by the variation in our electric bills. And since winter is when the majority of Volunteer Energy Cooperative (VEC) customers use the most electricity, variations can sometimes be significant. While one cold month may seem like another, there can be differences that go largely unnoticed by us but that can add up to an increase in our electric bills.

For example, wind direction and velocity can cause our heating systems to operate longer if your home is not properly weatherized. A south wind, pushing along mild Gulf temperatures, can decrease the need for home heating. Wind that whistles out of the north and the west causes our heating systems to work overtime.

Strategically placed trees, particularly evergreens, can be surprisingly effective in reducing the force of north and west winds.

Another reason our electric bills may vary is the number of days in the billing period. VEC makes every effort to read your meter on a preset schedule, such as every 30 days. But due to months of different lengths, weekends, holidays, and adverse weather conditions, sometimes bills may include a few days more or less than 30 days. This will affect the amount of your bill, especially in colder months when we use more electricity for heat.

And since we are all human and we are all capable of making mistakes, a meter can be misread. But the mistake will be automatically corrected when the meter is read again, because it records continuously, like an automobile odometer.

Why is My Neighbor's Bill Higher or Lower than My Bill?

Comparing your electric bill with a friend's or a neighbor's electric bill is like comparing apples and oranges.

No two families have identical living habits and no two families have identical appliances. Families with more people living under one roof will use more energy for additional bathing, cooking, clothes washing, etc. Most homes also differ in the amount of weatherizing such as insulation, storm windows, caulking, and weather stripping. In addition, the orientation of the house and the number and size of trees in the yard can also have an impact on your electric bills.

How Can I Eliminate the "Surprise Factor"?

By signing up for VEC's **Levelized Billing** program, you can help take the guesswork out of managing your household finances. Under this program an individual customer's bill is not identical each month, but the typical variation is usually very small from month to month.

Levelized Billing calculates an average cost based on a 12-month moving average of electric usage.

The bill is calculated using the current month's meter reading and an average of the preceding 11 months.

While it is true that "life is full of surprises," if you sign up for VEC's **Levelized Billing**, your electric bill won't be one of those surprises.

VEC Customers *Share*

Your Change Changes Things

By allowing their electric bills to be rounded up to the next dollar Volunteer Energy Cooperative (VEC) customers funded \$34,300 in community service grants in August. Since the inception of the program in October 2001, a total of \$2,331,750 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 August include:

Midway Elementary School PTO - \$3,000; Monterey Lions Club - \$2,500; Candlelighters Cancer Support Group Fun Day - \$2,000; Pine Grove Fire District Association - \$2,000; The Borderlands Foundation, Byrdstown - \$1,500; Stone Memorial High School Football Boosters, Crossville - \$1,600; Fentress County Amateur Radio Club - \$1,500; Twinton Community Park, Crawford - \$1,500; Old Fort Community Club - \$1,250; Meigs County High School Lady Tigers Booster Club - \$1,000; Rhea County High School Soccer Boosters - \$1,000; Boys and Girls Clubs of Cleveland - \$1,000; Bradley Central High School Soccer Booster Club - \$1,000; Give a Kid a Chance – Back to School Outreach, Decatur - \$1,000; Kids on the Rise, Crossville - \$970; McMinn-Meigs Association of Baptists - \$950; Miracle Lake, Inc., Etowah - \$800; Chilhowee Middle School Women's Fastpitch Softball Boosters - \$750; Claxton Community Volunteer Emergency Services - \$750; Cumberland County Fire Department Mayland Station - \$715; United Fund of Cumberland County, Inc., - \$705; Monterey Senior Citizens Center - \$600; Bradley/Polk Foster Adoptive Care Association - \$510; Brown Elementary School PTO, Crossville - \$500; Pickett County High School Football Booster Club - \$500; Adult and Family Education of McMinn County - \$500; Nocatula Civitan Club, Decatur - \$500; AmVets Post 90, Decatur - \$500; FOP State Troopers Lodge #16, Riceville - \$500; Tennessee Hemophilia/Bleeding Disorders Foundation - \$500; Crossville Downtown - \$500; Wolf Creek Fire Department - \$500; Pine Haven Lego Team - \$500; Stone Memorial High School Volleyball Booster Club, Crossville - \$250; Stone Memorial High School Wrestling Booster Club - \$250; and Project GIVE, Athens - \$200.

VEC Customers Share

Board Member Barbara Rector, right, presents a grant check to William Robbins of the Borderlands Foundation.



VEC Protects Personal Information

Policy Regarding Privacy of Customer Information

Volunteer Energy Cooperative values you as an owner and as a customer and understands how important it is to protect the personal information that you have entrusted to us. We, therefore, treat such personal information in accordance with applicable law and the provisions of this policy.

Information We May Collect

We only collect information that is needed to serve you and administer your cooperative's business. We may collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your business transactions with us or others;
- Information we receive from a consumer reporting agency.

Protection of Your Information

We are committed to upholding our pledge to maintain security of our customers' personal and accounting information. To ensure such information is used only in the manner we have described in this notice, we restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards to maintain the confidentiality of the information we collect and to guard against its unauthorized access.

Information We May Disclose

All of the information that we collect, as described above, may be disclosed when necessary to assist us in servicing your accounts to third parties as designated by you, in response to subpoenas or court orders, and to a credit bureau or similar information reporting agency. We do not disclose any nonpublic personal information about our customers to anyone, except as permitted by law.

We may disclose the information that we collect, as described above, to companies that perform marketing services on our behalf. This information may be shared with our affiliates so they can market their services. However, Volunteer Energy Cooperative does not share personal customer information with unaffiliated third parties for any reason.

If you decide to terminate your relationship with us, we will continue to adhere to the privacy policies and practices described in this notice.

More Information

Questions regarding this policy can be directed to the Office of the President/CEO, Volunteer Energy Cooperative, P.O. Box 277, Decatur, TN 37322 or to your local VEC service center.

Upgrading Service in Putnam County



Volunteer Energy Cooperative employees and contractors unload a transformer at Monterey Substation. The transformer will increase capacity and improve service reliability in the Monterey area.

VEC Bills Reflect Rate Increase

A Volunteer Energy Cooperative (VEC) rate increase went into effect October 1.

VEC President/CEO Roddy Blevins said the residential rate per kilowatt hour (kWh) for VEC customers will rise from 7.238 cents to 7.347 cents or 1.5%. The exact impact on a residential customer's monthly bill will depend on that customer's usage.

The National Low Energy Income Consortium has just released projections of nationwide energy costs for the coming winter, along with comparisons from prior years. Based on this data VEC's new rate is still 46% lower than the national average of 10.7 cents per kWh.

Blevins said the rate hike is required to comply with new federal regulations regarding the funding of employee pensions and retirement benefits.

"We are making every effort to keep rates as low as possible," said Blevins. "We have no choice but to comply with these new regulations and our operating margin is just too small to absorb these extra costs without increasing our rates."

This is the first rate increase VEC has implemented since October of 2003. Over the last 23 years VEC has raised rates four times. In October of 1983 rates were raised by 4.85%, in May of 1992 rates increased 2.94%, in October of 2001 rates increased 3.6%, and in October of 2005 rates increased 4%. VEC lowered rates by 3.2% in October of 2006.

Need a Stocking Stuffer?

The New VEC Trucks Are Here!!!



Only \$5 Per Smile



AVAILABLE AT YOUR LOCAL VOLUNTEER ENERGY COOPERATIVE CUSTOMER SERVICE CENTER.