

Here are Some Frequently Asked Questions About Levelized Billing:

How do I qualify for the Levelized Billing program?

Residential customers who have previous usage history at the current address and who have a good payment history with VEC may participate in the program.

How is this different from other programs that allow me to pay an equal amount each month?

With most equal monthly payment programs, there is a "true-up" month in which the account is "settled" and either the customer owes the company or the company owes the customer. Unless you leave the VEC system, there is never a "true-up" month with the Levelized Billing program.

Will my amount due change each month?

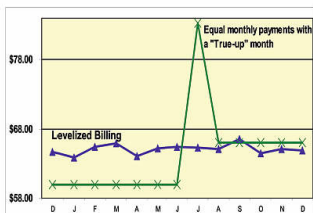
Yes. The amount due varies slightly from month to month, depending on your average electric usage for the last 12 months. However, most bills vary less than 10% from month to month with Levelized Billing.

Can I pay more than the amount due shown on my bill?

The main convenience of Levelized Billing is the level amount that customers are billed. The program works best when customers pay the exact amount due that is shown on their bills on time each month. Paying more than the amount due actually causes confusing billing statements. It is best to pay the amount shown on your bill.

When does my billing amount "catch up" with the amount I actually owe?

Since the amount due is calculated based on a rolling twelve month average, there is never a "catch up" payment unless you cancel service and leave the VEC system.

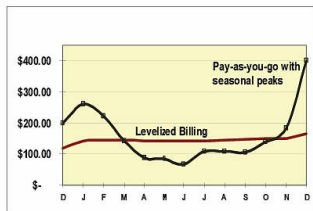


What if I am late or miss a payment?

The Levelized Billing program is designed for customers who pay their bills prior to the late payment date. Customers who miss one payment or are late paying one bill can continue participating in the Levelized Billing program. However, customers who have several missed or late payments during a short period of time can be automatically removed from the Levelized Billing program.

How do I sign up?

Call your local VEC customer service center or go to the LevelizedBilling link at www.vec.org.



VEC Fast Facts

According to the National Low Income Energy Consortium's projections of nationwide energy costs for the 2007-08 winter season, the national average for electric rates is expected to be 10.7¢ per kWh. This is 46% higher than VEC residential electric rate of 7.347¢ per kWh.

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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.

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POWERLINES
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Automated Meter Reading in Operation for Some VEC Customers

The first phase of Volunteer Energy Cooperative's four-year, \$9.2 million project to automate meter reading functions is nearing completion and meter readings of 25,000 VEC customers are already being gathered electronically.



The readings are being gathered from customers served out of VEC's substations serving Meigs, McMinn, Bradley and Hamilton counties. Substations being remotely read include: Ten Mile, Harrison Bay, Sanford, Goodfield, Wolftever, Charleston, Riceville, and Georgetown.

Plans call for West Crossville, Fredonia, Hopewell, and Spring City to be the next areas converted to AMR.

We are already beginning to see the benefits of this project and I expect this project to tremendously enhance the efficiency of our meter reading process.

One of the main functions of the Automated Meter Reading (AMR) system is to efficiently and accurately gather billing information. But the AMR system will also help VEC manage load demands better, help speed up the power restoration process in the event of an outage, and detect meter tampering.

Customer Survey Helps Us Serve You Better

Please help us insure that your electric cooperative is serving your needs. Many Volunteer Energy Cooperative customers have already been asked to participate in a survey that will help us improve products and services. The survey is ongoing; so many others will be asked to participate in the near future. The telephone survey is being used to collect information from customers regarding recent service provided by the cooperative. We are NOT trying to sell you anything. We are just trying to get your opinion on how we can better serve your needs.

General customer satisfaction questions are included in the survey. A random sample of customers is selected and surveys are conducted quarterly throughout the year. Survey questions are kept at a minimum to encourage participation by customers. Results are tabulated, analyzed, and used to improve your electric cooperative.

The survey has already prompted us to take measures to reduce "on hold" time for customers and to simplify the menu for our automated phone answering system. In an effort to streamline answering your calls, we've also added a call center to continue to improve our communications.

In response to customers' requests we've also enhanced our website. We now offer online bill payment and account information at www.vec.org.

If you are selected for the survey, please take a few minutes to answer the questions. Your input is important.

New Board Leads VECustomers Share Program into its Sixth Year

VECCustomers Share, Volunteer Energy Cooperative's program to assist community non-profit organizations, is beginning its sixth year with four new board members and with new board officers.

Jim Percell of Cumberland County, Gloria Schoggins of Meigs County, Doug Ford of McMinn County, and Alton Lingerfelt of Roane County have been named to the VECustomers Share Board of Directors. The Board has also elected new officers which include Carlton Norris of Hamilton County as chairman, H.B. Rankin of Rhea County as vice chairman, and Pauline Sherrer of Cumberland County as secretary/treasurer.

October marked the sixth year of the VECustomers Share program. Begun in October 2001 as a way for the member-owners of the cooperative to give back to their communities, the program has contributed an average of nearly \$400,000 per year to communities served by VEC. A total of 2,332 grants have been awarded since 2001.

VECCustomers Share funds are collected from VEC customers who allow their electric bills to be rounded up to the next dollar. The small monthly contribution made by each customer, when added together, amounts to thousands of dollars that are available to be awarded to civic groups, food banks, youth activities, libraries, and other projects. To date, the program has awarded more than \$2.4 million.

Community groups submit application for grants and the applications are reviewed each month by the VECustomers Share Board of Directors. All funds collected each month are dispersed; no cooperative monies are used to fund the program. Board members volunteer their time. They receive no compensation for their work, which sometimes involves hours each month to review the applications.

"The VECustomers Share program is a testament to what you can accomplish through cooperation," said VEC President/CEO Rody Blevins. "The average donation to this program is 50 cents per customer, per month. When we pool one donation from one customer with all the other donations from all the participating customers, we can do significant things in the communities."

For more information about the VECustomers Share program, contact Volunteer Energy at 423-334-7051. Applications and information are also available at the VEC web site: www.vec.org.



VECustomers Share Board

Front row, from left: Gloria Schoggins, Pauline Sherrer, Joyce Callahan, and Barbara Rector. Second row, from left: Doug Ford, Jim Percell, Davis Dunn, Carlton Norris, H.B. Rankin, Don Padgett, Bill Sparkman, and Alton Lingerfelt



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 \$34,300 in community service grants in October. Since the inception of the program in October 2001, a total of \$2,399,671 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 October include:

Freedom Riding, Crossville - \$3,000; Pickett County Junior High Book Club - \$2,500; Glade Creek Senior Citizen Community Center, Sparta - \$2,500; Hale's Chapel Community Center, Crossville - \$2,000; East Jamestown Volunteer Fire Department - \$2,000; Meigs County Middle and High School Choir Boosters - \$1,500; Operation REACH, Kingston - \$1,500; York Agricultural Institute Dance Team - \$1,500; Rhea County Imagination Library - \$1,440; Bradley County High School Boys Soccer Booster Club - \$1,140; Cumberland County 4-H - \$1,000; Boys and Girls Club of Benton - \$1,000; Athens Travelers Car Club - \$1,000; Midway Athletic Club - \$1,000; Paint Rock Chapter 454 Order of the Eastern Star, Kingston - \$1,000; Michigan Avenue School PTO, Cleveland - \$860; Old Fort Community Club - \$850; Rhea County Girls Basketball Booster Club - \$700; Spring City Reddogs Youth Football Association - \$700; Chestuee Community Club, Benton - \$650; Bradley/Polk Foster Adoptive Care Association - \$510; McMinn County Relay for Life - \$500; Uffelmann PTO, Monterey - \$500; Burks Middle School Yearbook Booster Club, Monterey - \$500; Benton Elementary PTO - \$500; Good Faith Clinic, Athens - \$500; Byrdstown Lions Club - \$500; Quilts for Kids, Decatur - \$500; Pilot Club of Athens - \$500; Meigs High School Fellowship of Christian Athletes - \$500; Girl Scout Troop 131, Calhoun - \$250; and Luminary Children's Fund, Spring City - \$200.



VEC Customers Share

VEC Customers Share Board member, Davis Dunn, left, presents a grant check to Cindy Hooker of the Benton Unit of the Boys and Girls Club of America.

VEC Offers College Scholarships

Volunteer Energy Cooperative (VEC) wants to reward students who have used their time and talents to benefit their local communities. VEC's Lillard-Shadow scholarship program rewards academic and community service achievements by awarding four \$2,000 scholarships to students who will graduate from high schools in VEC's service area in the spring of 2008.

The scholarships honor J.W. Lillard and Willis A Shadow, two community leaders who spearheaded efforts to bring electric power to Decatur and Meigs County in the 1930s, forming the organization that would become Volunteer Energy Cooperative.

Four awards of \$500 per semester each (renewable for up to four semesters) will be presented to spring 2008 high school graduates whose parents or guardians are VEC electric customers. Applications will be judged by an independent panel based on student's community service activities and citizenship - 40%; written communication skills - 20 %; financial need - 25%; and academic achievement - 15%.

Scholarship applications are available at any VEC Customer Service Center or from high school counselors in the VEC service area. Applications are also available online at www.vec.org.

All application materials must be completed and delivered to VEC's Cooperate Office in Decatur no later than 5 p.m. Eastern Time on March 3, 2008.



Volunteer Energy Cooperative (VEC) officials recently received word that scam artists posing as utility employees are preying on customers. VEC President/CEO Rody Blevins said he wants to stress to all residents in VEC's service area that authentic VEC employees do not ask to enter homes for any reason. He said residents should not allow people into their homes just because they claim to be VEC employees.

"Our employees can conduct all VEC business without entering a private residence," Blevins said. "If someone knocks on your door, claims to be a VEC employee and asks to enter your home, please notify local law enforcement officials and VEC."

VEC employees are typically identifiable by their uniforms and the VEC photo identification card they are issued. But Blevins said it may be possible that a determined person could replicate an authentic looking uniform and identification card. He said asking to enter a home however, is a sure sign that the person is not a genuine VEC employee.



S.E.E.D. GRANT



VEC Jamestown Area Manager Louie DeLorenzo, left, and VEC Board Member Larry Storie, present a \$5,000 VEC S.E.E.D., grant to Desiree Peterson of the Pickett County Chamber of Commerce. The VEC S.E.E.D., (Supporting Efforts for Economic Development) program was created to assist local communities expand their economic base. This grant will help fund a Pickett County tourism brochure. VEC S.E.E.D. grants and loans have assisted economic development efforts in Polk, Fentress, Rhea, Meigs, Pickett, Bradley, and Cumberland counties.

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 here, 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.

Fuel Cost Adjustment

The Tennessee Valley Authority (TVA) has announced that the residential Fuel Cost Adjustment (FCA) for January through March of 2008 is \$.00290 per kWh. FCA charges and additional information about the FCA are available on the VEC website: www.vec.org.