



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 2009.

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 2009 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 2, 2009.

Big Raise for TVA's CEO was a Bad Decision

There are plenty of misconceptions floating around out there about the decision of the Tennessee Valley Authority (TVA) board of directors to boost the compensation package for CEO Tom Kilgore. But even after sorting through all the misunderstandings, it was still a poor decision that was also very badly timed.

Yes, Kilgore will be paid below the industry average even with the pay increase. And yes, Kilgore's base salary has remained the same since he became CEO in 2006. I'm also aware that the majority of Kilgore's compensation package is based on performance and that TVA needs to recruit and retain competent people to run the agency.

But this decision - especially the timing - flies in the face of common sense.

About a month prior to this announcement, TVA implemented a rate increase and a huge boost in the Fuel Cost Adjustment (FCA). The double-whammy boosted the average VEC customer's bill by about 20 dollars. For many VEC customers, this represents a very real hardship.

And while our customers are struggling with the increase and these very tough economic times, the TVA Board announces that they will raise TVA President Tom Kilgore's potential compensation package by \$500,000 to \$3.27 million.

Of course people are upset. I can't blame anyone for being upset.

VEC operates on a very thin margin - about 80 cents out of every dollar VEC collects goes straight to TVA to purchase electricity. VEC does not see any additional revenues collected through this recent increase in the FCA. They are strictly pass through items with all of the increases going straight back to TVA.

We have no choice except to pass these increases along to our customers. But I can assure you VEC employees have not been enjoying big raises and bonuses. We are doing what we can to hold the line on costs and we will continue to do so.

TVA has also held operating and maintenance costs flat and TVA recently announced the FCA starting in January of 2009 will be reduced. I know another of the misunderstandings people have about the FCA is that it is a charge used to compensate for rising gasoline prices. So many people incorrectly assume that falling gasoline prices should result in a lower FCA charge on their electric bill and that is not the case.

The FCA is not pegged to the cost of gasoline. It is pegged to the cost of fuels that are used to generate electricity - mostly coal and natural gas. The first quarter FCA will drop in January because of reductions in coal and natural gas prices.

Even with a much better understanding of all the factors that went into the decisions to raise rates, to raise the FCA, and to raise Kilgore's salary it still leaves a bad taste in the mouth of many people. At the very least, the TVA Board showed a great deal of insensitivity toward it's customers like VEC and to VEC's customers like you.

It was a mistake.

If you agree, **you can voice your opinion to TVA by phoning 888-289-8409.** TVA set up this number to record comments. If you would like a TVA representative to call you back, you must request it and leave a phone number. You can also comment on TVA's website at www.tva.gov.



TVA's Fuel Cost Adjustment Heading Down in January



TVA has announced a decrease in the Fuel Cost Adjustment (FCA) that will take effect on Jan.1, 2009. Volunteer Energy Cooperative (VEC) will pass along 100% of the savings to customers. Because the FCA is a per-kilowatt-hour charge, amounts that consumers will save depends on the amount of energy they use. While savings will vary across the Tennessee Valley, VEC's residential consumers can expect a decrease ranging from about \$4 to \$8 on their monthly electric bills.

"We're glad to see this relief for VEC customers," said VEC CEO, Rody Blevins.

TVA Chief Financial Officer, Kim Greene, said recent reductions in purchased power and natural gas prices have helped reduce TVA's costs. "Unfortunately, coal prices remain significantly higher than they were a year ago," Greene said. "And sustained drought conditions across the Tennessee Valley have cut TVA's hydro generation by more than 50 percent, preventing TVA's fuel costs from dropping further."

About 60 percent of TVA's electricity generation fuel supply comes from fossil fuels - primarily coal, along with oil and natural gas. When the price of these fuels increases, TVA's cost to produce electricity increases as well.

TVA began using the FCA mechanism in October of 2006 in the wake of fuel cost spikes following hurricanes Katrina and Rita. Many other utilities across the nation use similar mechanisms to help recover the costs they must pay for fuel and purchased power.

TVA CEO, Tom Kilgore, told the TVA board that power demand fell by 5-percent in October, partly because of conservation efforts, but also because of the economic slow down. Industrial customers use less energy when they cut a shift or reduce production.

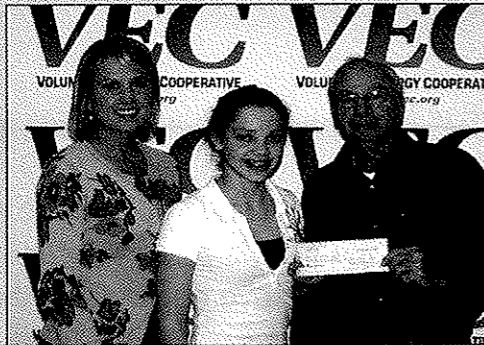
The FCA is itemized on the bill of VEC customers.

For VEC's residential and outdoor lighting customers the adjustment will drop from \$.01958 per KWh to \$.01441 per KWh.

VEC Customers Share

A Little Change Can Go a Long Way

Through the generosity of Volunteer Energy Cooperative (VEC) customers who allowed their electric bills to be rounded up to the next whole dollar, the VEC Customers Share program funded \$32,300 in community service grants in October. Since the inception of the program in October 2001, more than \$2.8 million 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.



VEC Customers Share Board Member Doug Ford presents a grant check to Leslie Tucker and Brenna O'Malley of the Calhoun Basketball Boosters Club.

Organizations receiving grants in October include: Cumberland Homesteads Tower Association - \$2,500; West Polk County Empty Stocking Fund - \$1,500; Cumberland County School Supply - \$1,500; Picket County K-8: 7th Grade English Club - \$1,000; The Lighthouse Counseling and Life Skills Center, Hamilton County - \$1,000; Legal Aid of East Tennessee, Cleveland - \$1,000; Calhoun School Basketball Boosters - \$1,000; Polk County High School Technology Students Association - \$1,000; Alvin C. York Institute JROTC, Jamestown - \$1,000; Calhoun Junior Beta Club - \$1,000; Creating Christmas Memories, Cleveland - \$1,000; Taylor Elementary School PTO, Cleveland - \$1,000; Student Government Association of Tennessee Technology Center, Crossville - \$1,000; Star Point Fire Station, Byrdstown - \$1,000; Pine Haven 4th Grade Reading Club, Jamestown - \$1,000; Muddy Pond Volunteer Fire Department, Monterey - \$990; Brown Middle School PTO, Harrison - \$900; Midway High School Cheerleader Booster Club - \$900; Wolf Creek Fire Department - \$800; Spring City Historical Museum and Depot Foundation - \$750; Paint Rock Chapter #454 Order of the Eastern Star - \$600; Wilson Elementary School Math Club, Crawford - \$550; Meigs Historical Society - \$500; Chattanooga Rock City Fraternal Order of Police #22 - \$500; Knights of Columbus Council 8152, Crossville - \$500; Decatur Civitan Club - \$500; Benton Elementary School Music Program - \$500; Glenn Martin Elementary School PTA, Crossville - \$500; Meigs County Volunteer Emergency Services - \$500; Byrdstown Senior Center - \$500; Midway Quarterback Club - \$500; Monterey High School FCA - \$500; McMinn, Meigs, Monroe CONTACT, Inc. - \$500; Meigs County FFA Chapter \$500; Clarkrange Volunteer Fire Department - \$500; Bradley County High School Boys Soccer Booster Club - \$500; Burks Middle School Welcome Wagon, Monterey - \$500; Rhea County Veterans Coordinator Committee - \$400; Meigs South Elementary School PTO - \$300; Meigs County-Decatur Friends of the Library - \$300; Rhea County Youth Events Projects - \$250; Mt. Carmel Ladies of Action, Decatur - \$200; Spring City Bible Quiz Teams - \$200; and Linsdale Community Services - \$160.

VEC Adds MasterCard® Payment Option

Paying your electricity just got easier

No one likes paying bills, but Volunteer Energy Cooperative (VEC) is trying to make paying your electricity bill as painless as possible by providing a variety of payment options. VEC already accepts online payments, in person payments, electronic bank draft payments, and payments by mail. VEC also accepts Visa® credit card, Visa® debit card, and check payments by telephone.



Now VEC is adding MasterCard® to our accepted form of payment. Full or partial payments are accepted by phone and there's no extra service charge added.

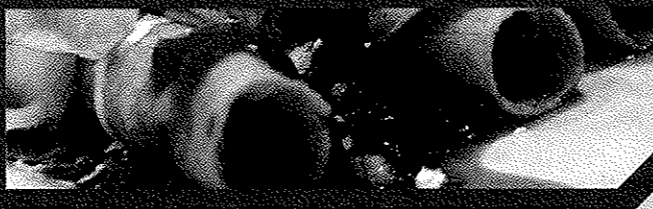
To make a payment, customers need to have their VEC account number which can be found on their billing statement. To pay with a Visa® or MasterCard® credit or debit card, customers also need to provide the credit card number, the expiration date, and the security code from the back of the card. To pay by check customers need to provide their bank's routing number - which can be found at the bottom of the check - and their account number - which can also be found at the bottom of the check.

VEC's Interactive Voice Response (IVR) System will walk customers through the process with clear and easy-to-follow instructions. Customers can dial their local VEC customer service center to make a telephone payment.



Georgetown Office Now Open

Volunteer energy Cooperative recently held an open house to celebrate the opening of our new Georgetown Customer service Center. On hand to help VEC celebrate the opening were (from left) State Senator Bo Watson, VEC President/CEO Rody Blevins, VEC Board of Directors Secretary/Treasurer Sammy Norton who represents Meigs County, VEC Board of Directors Chairman Gene Carmichael who represents McMinn County, P. Neal Richardson of Uplands Design Group, Skip Freitag of Freitag Construction Company, VEC's Cleveland Service area Manager John Selvidge, VEC Board Member Aubie Smith who represents Hamilton County. Right: VEC's open house guests enjoyed food, give-aways, and tours of the new office which is located at 8212 Mahan Gap Road near the intersection of Ooltewah-Georgetown Road.



VEC Family Shares Their Best Recipes with Your Family

Volunteer Energy Cooperative employees are putting together a sumptuous sampling of some of their favorite family recipes to share with your family. The recipes are available, absolutely free, at www.vec.org.

Just look for the recipe link on the home page.

Here's a sneak peek: Taco Chicken

1 lb boneless, skinless, chicken
1 large can of diced tomatoes
1 to 2 packs taco seasoning mix
1 small can sliced mushrooms (optional)
Shredded cheese

Preheat oven to 350
Put seasoning mix in bag with chicken and shake well.

Place chicken in casserole dish
Drain tomatoes and mushrooms, pour over chicken
Bake for 30 to 40 minutes
Remove and cover with cheese, put back in oven until cheese is melted.

(We like to use fire roasted tomatoes with garlic.)

Kim and Sharon - Crossville