

# Two Incumbents, One Newcomer Elected to VEC Board of Directors

David J. Milen, of Benton, has been elected to represent Polk County on the Volunteer Energy Cooperative Board of Directors. Milen was elected in the District 1 voting over Marvin Stinnett who has served on the VEC Board of Directors since 1987.



Milen

In the District 5 election to determine the representative for Meigs County incumbent Sammy Norton of Decatur was elected over challengers Duane Johns and Fletcher Letner, both of Decatur.



Norton

Incumbent Board of Directors member Randy Bond was re-elected without opposition to represent District 9 which covers Cumberland County - East. Milen was born in Old Fort and graduated from Polk County High School. He served four years in the U.S. Navy and is retired from Norfolk Southern Railroad Company. He has served on the Polk County Commission for 16 years and is also

a member of Ocoee Lodge #212 Chattanooga Scottish Rite. He and his wife, Daphne, have two children, Deanna Sloan and Dusty Milen, and attend First Baptist Church in Benton where he serves as a deacon and the director of the Christian activities building. He has also coached Little League Baseball for 12 years. Norton has served on the VEC Board since 2000. He earned his Credentialed Cooperative Director certification from the National Rural Electric Cooperative Association. He currently serves as the Board's Secretary/Treasurer.



Bond

He is a dairy farmer and a graduate of Meigs County High School. He has also served on the board of directors for the Valley Farmers Cooperative and served on the Farm Services Agency board from 1983 to 1997. He is also a member of Meigs County Masonic Lodge. He has four children, Shelly, Chris, Andrea, and Tonya. He is a member of Pisgah Baptist Church and has served as a Gideon for several years.

Bond, of Crossville has served on the VEC Board since 1997. He is executive vice president at Cumberland County Bank.

Bond graduated from Fort Knox High School in Fort Knox, KY. He earned his Bachelor's of Business Administration degree from the University of Kentucky and his Master's Degree in Business and Education from Tennessee Technological University. Bond served as an Infantry Squad Leader with the U.S. Army's 7th Cavalry Division in Vietnam from 1968 to 1970.

He has served on the Board of Directors of Hilltoppers, Inc., since 1983 where he has served as chairman and on the finance committee. He is also a board member for Uplands Retirement Village, and treasurer of the Mabel Harrison Fund. He and his wife, Glenda have two children, Michael and Scott, and are members of First United Methodist Church in Crossville.

## Frequently Asked Questions

### What is the Customer Charge on My VEC Bill?

The price you pay for energy is only part of the cost of operating an electric system. It is necessary to add a customer charge to pay for meters and meter reading, right-of-way clearing, system maintenance, and other costs involved in bringing power to your home. The customer charge has always been included in the bills of VEC customers. It was bundled with the energy charge on the customer bill. However, in the interest of full disclosure, we made the decision a few years ago to itemize this charge on the bills. Approximately 80¢ out of every \$1 collected by VEC is paid to TVA to purchase power. Unlike many municipal systems or investor-owned utilities, VEC is a non-profit cooperative; excess revenues that are generated are returned to the system in the form of upgrades and maintenance. The revenues taken in by VEC are not used to generate profits. It is true that customers are burdened today with rising costs for energy in all forms. VEC works very hard as an advocate for the customers with TVA and state and federal legislators so that costs can be held as steady as possible.

### 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. VEC's Automated Meter Reading (AMR) is helping to eliminate one more reason our electric bills may vary. VEC meter readers make every effort to record their readings on a consistent schedule, 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. Automated meter reading helps us eliminate the variables and keep a consistent schedule. Currently about 80% of VEC meters are being read with the new automated system.

### Why is my Neighbor's Bill Higher or Lower Than Mine?

Comparing your electric bill with a friend's or a neighbor's electric bill is like comparing apples to oranges. No two families have identical living habits and no two families have identical appliances. Families with more people living in the home 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 our electric bills.

### How Do 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.

## Prepare Your Home for Cold Weather

The leaves are starting to change color, there's a cooler nip in the air, and footballs are flying through the air. That means fall is here and now is the time to start preparing your home for the colder weather ahead. Putting in a little time and effort on home maintenance now can help you save a bundle on your winter electric bills. It can also help keep this winter a more comfortable one and a safer one for you and your family. As you consider energy efficiency maintenance to winterize your home, it's a great opportunity to check into VEC's free In-Home Energy Evaluation Program. Under the program, a highly trained energy evaluator will come to your home and recommend ways to get the most out of your energy efficiency investments. If you choose to make any of the recommended improvements, you may be eligible for rebates from TVA and tax credits. For more information on the In-Home Energy Evaluation program, call 423-334-7055. Or phone your local VEC Customer Service Center and when prompted, enter extension 7055.



### Here are a few other tips you may want to keep in mind:

- **Inspect the roof:** Replace missing or broken shingles, shake pieces, or tiles. Make sure the flashing around vent pipes, skylights, and chimney is secure.
- **Clean the chimney and fireplace:** Remove build-up of combustible creosote from the chimney, hearth, and firebox. If you only use your fireplace a few times each year, you can do this every few years instead of annually. Make sure the chimney, as well as outdoor electrical fixtures, and vents are clear of birds' nests.
- **Unclog the gutters:** Clean the gutter channels, and clear downspouts of debris. Make sure that downspouts funnel water away from the foundation. Replace broken or deteriorating gutters and downspouts. When working on your roof or on ladders, be sure to stay clear of power lines. Consider hiring a professional to handle the more dangerous maintenance tasks.
- **Inspect the foundation:** Look for signs of water damage. Make sure that dirt around the house is graded to drain water away from the foundation. If you have any underground drainage systems or sump pump, make sure it operates properly.
- **Check the heating system:** Change filters and check registers and ducts for blockages. Consider hiring a professional to have your furnace inspected for rust and cracks in the heat exchanger, gas leaks, burner operations, carbon monoxide, combustion air, safety controls, blower systems, the condition of venting, and humidifier.
- **Insulate:** Replace or add caulk or weather stripping around doors or windows, between the foundation and siding, and wherever bricks and wood make contact. Both of these flexible sealants degrade over time. Make sure you have sufficient attic insulation. Most areas require at least six inches of insulation materials.
- **Winterize your windows:** If you have window units or doors with combination screen/storm windows, remove the screen, wash and store, and install storm windows. Remove window air conditioning units.
- **Run gas-powered lawn equipment until the fuel tank is empty:** This keeps you from storing flammable liquid in the garage until next spring. Also make sure there are no dirty or oily rags stored. These can spontaneously combust.
- **Change batteries in your smoke detectors:** Daylight Savings Time ends on October 31. That's the traditional time to take care of smoke detector maintenance. Change the batteries and clean and test the unit.

### 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 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.

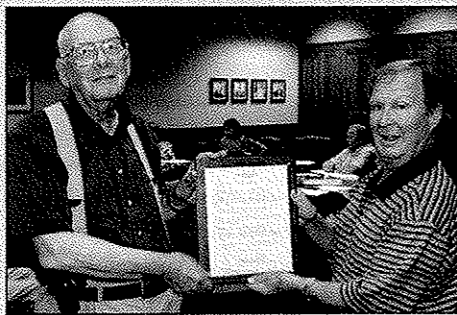
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**Tennessee Valley Authority (TVA)**  
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**Effective September, 2010**  
**\$.01221**  
For the most current FCA information, visit [www.vec.org](http://www.vec.org)

# VEC Customers Share

## VEC Members Make a Difference in their Communities

The VECustomers Share program funded \$29,000 in community service grants in August. Since the inception of the program in October 2001, more than \$3.5 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](http://www.vec.org).



VECustomers Share Board Chairman Carlton Norris, right, presents a Resolution of Appreciation to Don Padgett following the September meeting of the VECustomers Share Board of Directors. Padgett's term on the board has expired. He has represented Fentress County since January of 2004.

### Organizations receiving grants in August include:

- Good Neighbors Theatre, Byrdstown - \$2,000
- Riceville Youth Football Organization - \$1,500
- Church of the Harvest Loaves and Fishes Food Pantry, Grimsley - \$1,500
- Midway Music Club - \$1,000
- Visually Impaired Support Group of Cumberland County - \$1,000
- Central Outreach Center, Spring City - \$1,000
- Give-A-Kid-A-Chance, Decatur - \$1,000
- Chattanooga Central High Band Boosters - \$1,000
- Fentress County Public Library - \$1,000
- Support Group for Benton and West Polk County Fire and Rescue - \$1,000
- Mountain First Responders, Crawford - \$1,000
- Benton Lions Club - \$1,000
- Bosum Buddies, Spring City - \$1,000
- Mended Hearts Chapter 127, Cookeville - \$1,000
- Cumberland County School Supply - \$1,000
- Midway Middle School Beta Club - \$1,000
- Southeast Tennessee RC&D Council, Athens - \$1,000
- SpiritHorse Therapeutic Riding at Black Fox, Cleveland - \$800
- First Baptist Church Teamkids Fall Fest, Spring City - \$800
- Bradley High School Wrestling Team Boosters - \$800
- Meigs Middle School Archery Booster Club - \$500
- Pickett County Historical and Genealogical Society Boosters Association - \$500
- Martin Elementary School Football Boosters, Crossville - \$500
- Benton Elementary School Junior Beta Club - \$500
- Martin Elementary School Girls Basketball Boosters, Crossville - \$500
- Martin Elementary School Junior Beta Club, Crossville - \$500
- Festival for Life, Decatur - \$500
- Korean War Veterans Association Plateau Chapter 4297, Crossville - \$500
- Polk County High School Girls' Volleyball Club - \$500
- Homestead Elementary School PTO, Crossville - \$500
- Caring Hearts, Crossville - \$500
- Meigs County Fair Association - \$500
- Martin Elementary School PTO - \$300
- Loudon Chapter No. 497 Order of the Eastern Star, Lenoir City - \$300
- Bradley County Historical Society - \$300
- Meigs County High School Archery Booster Club - \$250.



Rody Blevins is President/CEO of Volunteer Energy Cooperative

## VEC's 75th Anniversary Annual Report Reflects on the Cooperative's Past, Present and Future

I recently presented copies of Volunteer Energy Cooperative's 2009-2010 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.

The Annual Report offers first-hand accounts from some of the people who played important roles in VEC's history. It also features a snapshot of how some of VEC's current projects are continuing the traditions that were forged by our founders.

Technology and customer expectations have changed a great deal in the 75 years VEC has been providing electricity to our service area. And throughout that time we've worked very hard to use that technology to help meet our customers' expectations.

One of our longtime employees featured in one of the stories reflects on how some VEC customers used to write letters to the cooperative in order to report power outages. Today VEC is integrating equipment

mapping and Supervisory Control and Data Acquisition systems that allow us to respond to outages even when that outage is not reported by the customer.

We've also incorporated telecommunications and web-based systems that allow our customers to access their account information and take advantage of many VEC services from the convenience of their home - 24 hours a day, seven days a week.

There are also stories about how VEC is working to help our members use electricity more efficiently and save money on their energy costs. We're even helping customers generate their own electricity.

Looking through our Annual Report, it's clear that many things have changed over the 75 years VEC has been in business. It's also clear that many things remain the same. Throughout 75 years of a changing energy environment, VEC has remained committed to being good stewards of your electric cooperative and to continue providing our members with the best possible service at the lowest possible price.

### Electrical Safety for Children

Electricity is a safe and economical source of energy. Without it, our lives would be dramatically different and more difficult. But when handled improperly, electricity can be very dangerous - even deadly. Whether it comes from Volunteer Energy Cooperative (VEC), lightning, or from any other source, electricity must be treated with respect. VEC wants you to know how to stay safe around electricity. Here are some important things you should know about staying safe around electricity.

#### Indoors

- Never turn on a light switch or electrical appliance when you are wet or when you are in the bathtub.
- Don't run electrical cords where someone may trip over them.
- If you see an electrical cord that is broken or frayed, show it to an adult.
- Never put anything except an electrical plug into an electrical outlet.
- Always turn lamps off before changing the light bulb.
- Never put water on an electrical fire. In case of a fire, get out of the house, then call the fire department and tell an adult.

#### Outdoors

- Never climb on utility poles or fences around substations. If you see anyone else doing these things, tell an adult you trust right away.
- Stay away from things marked with signs that read "Danger: High Voltage."
- Never touch an electrical line or pole that has fallen to the ground.
- If you see lightning or hear thunder, go inside. Never swim during storms. Many people are struck by lightning every year and most are badly hurt or killed.

Call 911 if you see someone who has been or is being electrocuted. Do not touch the person.

If you would like a Volunteer Energy Cooperative representative to speak to your class or group on electrical safety, just call your local VEC Customer Service Center and dial extension 7052 to reach Communications Coordinator Robert McCarty. Or you can Email Robert McCarty at [rmccarty@vec.org](mailto:rmccarty@vec.org).

## Financial Statements for Volunteer Energy Cooperative For the Fiscal Year Ended June 30, 2010

### Volunteer Energy Cooperative Balance Sheet as of June 30, 2010 Assets

Electric plant in service	355,434,608
Less depreciation	135,077,133
Total	\$220,357,475
Other property and investments	\$2,533,552
Current and accrued assets	
Cash and temporary cash investments	6,578,395
Accounts receivable	15,496,746
Materials and supplies	3,059,683
Prepayments	-0-
Other current assets	1,072,500
Total	\$26,207,324
Deferred debits	
Receivables-conservation	4,671,433
Other deferred debits	404,971
Total	\$5,076,404
<b>Total assets</b>	<b>\$254,174,754</b>
<b>Capital and Liabilities</b>	
Capital	
Membership certificates	423,000
Earnings reinvested in system assets	164,281,455
Total	\$164,704,455
Long term debt	\$51,946,245
Other noncurrent liabilities	\$9,564,823
<b>Total long term debt and other liabilities</b>	<b>\$61,511,068</b>
Current and accrued liabilities	
Other notes payable	-0-
Accounts payable	15,841,800
Customer deposits	4,142,609
Taxes and interest	978,963
Other current liabilities	800,367
Total	\$21,763,740
Deferred credits	\$6,195,492
<b>Total capital and liabilities</b>	<b>\$254,174,754</b>

### Volunteer Energy Cooperative Statements of Income and Earnings Reinvested in System Assets Fiscal Year Ended June 30, 2010

<b>Operating Revenue</b>	
Sale of electric energy	
Residential	\$132,733,037
Commercial	19,216,270
Industrial	44,296,523
Street and other lighting	3,418,780
Total sale of electric energy	199,664,611
Other revenue	4,875,360
Total operating revenue	204,539,970
<b>Operating Expenses</b>	
Cost of power purchased from TVA	\$156,215,580
Distribution and transmission expense	10,774,669
Customer accounts expense	3,858,176
Customer service, sales and information expense	657,359
Administrative and general expense	7,050,669
Depreciation	11,403,467
Taxes	2,451,666
Interest expense	3,082,913
<b>Total operating expense and interest</b>	<b>195,494,499</b>
Operating Income	9,045,471
Other income	1,309,826
Net Income	\$10,355,297
Earnings Reinvested in System Assets	
Beginning of fiscal year	\$152,910,163
End of fiscal year	\$164,281,455