

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 2011.

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 2011 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.

HURRY! 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 4, 2011.

VEC Names New Decatur Service Area Manager



Roger Carpenter

Volunteer Energy Cooperative (VEC) has named Decatur native Roger Carpenter as the cooperative's new Decatur Service Area Manager.

It's a homecoming of sorts as Carpenter worked with VEC for about a year and one-half in the 1970s before taking a position with the Tennessee Valley Authority (TVA). Carpenter worked in VEC's Member Services Department as an Energy Services Engineer before accepting a position with TVA. He worked for TVA for 32 years, spending his last six years as TVA's general manager for the Southeast District.

"We feel very fortunate to have someone with Roger's wealth of experience in the electric power industry and in customer service joining us," said VEC President/CEO Rody Blevins. "He's going to be a tremendous asset to us."

The Decatur Service Area encompasses VEC's operations in Meigs, McMinn, Roane, Rhea, and Loudon counties.

Carpenter, who joined VEC in December, said he is looking forward to working with VEC's members/customers, as well as with VEC employees.

"I've gained a lot of customer service experience and a lot of experience in the power industry. I'll be leaning on all that experience in order to manage VEC's Decatur Customer Service Area in a way that results in excellent customer service," Carpenter said.

You might say the electric power industry is in Carpenter's blood. His grandfather worked with VEC and his father worked for TVA for 36 years. He and his wife of 35 years, Judy, have three grown children and live in Meigs County where they attend Shiloh Baptist Church.

Don't Let Your Fireplace Burn Your Budget

Your fireplace may be great to warm up by on a cold winter night, but be careful that it doesn't burn a hole in your wallet. Whether you use it or not, your fireplace can be a pipeline of energy waste.

When in use, your fireplace may actually have a reverse effect on your home heating. Older fireplaces are generally quite inefficient and only heat the immediate area. The convection of the fire can also suck conditioned air out of the rest of your home and cause your furnace to work harder.



When a fire is not burning there is usually only a thin metal damper to keep warm air from flowing out the chimney. The damper is 100-year-old technology and does little to insulate your home.

Fortunately there are steps you can take to keep from getting burned by your fireplace:

Install a top-sealing damper. These dampers are installed on the top of your chimney and act as a storm door, keeping conditioned air in regardless of the season.

If your fireplace is never used,

consider sealing it with insulation or an insulating inflatable damper. Be sure to remove all insulation if you plan on using the fireplace again.

Consider installing a fireplace heater. These units draw fresh air from the room, circulate it through a heating chamber and blow it back into the room. They are a sealed system, so no smoke ever enters the room. Fireplace heaters will dramatically increase the efficiency of your fireplace.

Install glass fireplace doors. This improvement will help the efficiency, safety and aesthetics of your fireplace. Glass doors allow for better sealing of the fireplace so less air is lost to convection and to simple drafts. The doors will also protect children from flames, and can prevent embers from escaping into the room. Consider installing doors in conjunction with a fireplace heater for maximum efficiency.

There are a wide variety of products on the market to help improve the efficiency of your fireplace or simply seal off an unused chimney. Shop around or ask an expert to determine what is best to keep your energy dollars from going up in smoke.

Tennessee Valley Authority (TVA)
Residential & Outdoor Lighting Fuel Cost Adjustment
Effective January 1, 2011

\$0.00594

For the most current FCA information, visit www.vec.org

Technology is a Tool, but People are the Key

The electric power industry is one of constant change, rapid technological advancements, and ever increasing customer expectations.

Volunteer Energy Cooperative (VEC) is constantly monitoring and utilizing the latest in technological innovations to provide the best service possible but that is just one piece of the puzzle. To take full advantage of these technological advances, it takes a staff of knowledgeable and well-trained employees.

"VEC's commitment to employee training reflects our goals to provide reliable power, to provide that power with the highest degree of safety for both our customers and our employees, and to provide the best possible customer service," said VEC President/CEO Rody Blevins.

Recently four VEC lineworkers completed their Advanced Lineworker training and received advanced certifications from the Tennessee Public Power Association (TVPPA). The training includes instruction on advanced safety, troubleshooting techniques, transformers, system protection devices, and substation equipment.

VEC's Aaron Hood (Benton), Keelan Milligan (Monterey), James Allen (Crossville), and Mark Kennedy (Decatur) were among those who recently earned this advanced certification.

VEC hosted Substation School at Crab Orchard Substation in Cumberland County and at the VEC Crossville Customer Service Center. The school was attended by representatives of several utilities. VEC participants included Chuck Wyatt (Monterey), Brad Daughtery (Crossville), Lane Goodwin (Crossville), Andy Winningham (Jamestown), and Brian Swafford (Crossville).

VEC is proud to have industry leaders on staff who helped teach the Substation School. These VEC instructors included VEC's Cleveland Service Area Manager John Selvidge and Darrel Crisp and Matthew Teague who work out of VEC's Corporate Office in Decatur.

VEC is also committed to providing exemplary customer service in other energy services as well. Tracey Allen, who coordinates VEC's *energy right*® heat pump loan program, and Kristy Kelly, who coordinated VEC's In-Home Energy Evaluation program recently earned their TVPPA Customer Service certifications.

This program includes courses on communication skills, electric industry overview, strategic thinking and problem-solving skills, and learning to match customers with specialized products and services.

"The expectations from our customers have increased dramatically," said Patty Hurley, VEC's Vice-President of Marketing and Economic Development. "When we began providing electricity to people 75 years ago we had several customers who would write us letters to report their power outage. It's hard to imagine customers in today's environment waiting that long to get help. We're fortunate to have employees who are eager to set higher standards for themselves and for VEC," Hurley added. "And we're pleased to provide them with the training and the tools to meet and exceed those higher expectations."



Tracey Allen (left) and Kristy Kelly (right) recently earned their TVPPA Customer Service Certification.



VEC lineworkers are shown during one of their classroom sessions of TVPPA's Advanced Lineworker training program.



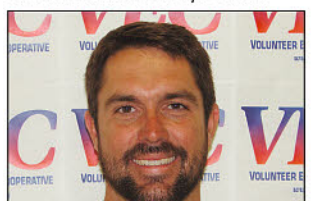
VEC Vice President of Operations Clyde Jolley (left) presents the Advanced Lineworker certification to James Allen of Crossville.



VEC Vice President of Operations Clyde Jolley (left) presents the Advanced Lineworker certification to Keelan Milligan of Monterey.



VEC Vice President of Operations Clyde Jolley (left) presents the Advanced Lineworker certification to Mark Kennedy of Decatur.



Aaron Hood

VEC Customers Share

VEC Members Make a Difference in their Communities

The VECustomers Share program funded \$32,900 in community service grants in November. Since the inception of the program in October 2001, more than \$3.6 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 Harold Reno, left, presents a grant check to Mark Wells of CATCH Ministry.

Organizations receiving grants in November

Kiwanis Club of Spring City - \$2,000	Meigs County High School Yearbook Club - \$500
CATCH Ministry, Cleveland - \$1,552	Jamestown Fifth Grade Readers - \$500
Monterey High School Choir Boosters - \$1,550	Stone Elementary Athletic Booster Club, Crossville - \$500
Midway Basketball Boosters - \$1,500	Downtown Crossville, Inc. - \$500
Pickett County K-8 Softball Boosters - \$1,500	Banner Roslin Community Center, Jamestown - \$500
McMinn County Foster Care Association - \$1,500	Meigs County-Decatur Chamber of Commerce - \$500
Make-a-Wish Foundation of East Tennessee - \$1,500	Stone Memorial Wrestling Booster Club, Crossville - \$500
Pickett County Pee Wee Football - \$1,250	Juvenile Character Program, Calhoun - \$500
Monterey Senior Citizens Center - \$1,000	Frank P. Brown Elementary School PTO, Crossville - \$500
SpiritHorse Therapeutic Riding at Black Fox, Cleveland - \$1,000	Write-Around Café, Crawford - \$500
Senior Citizens of Cumberland County - \$1,000	Jamestown Rotary Club - \$500
Knights of Columbus Council 8152, Crossville - \$1,000	For the Children Quilting Ministry, Crossville - \$500
Midway Quarterback Club - \$1,000	Future Teachers of America, Jamestown - \$500
Benton Food Booster Club - \$1,000	Meigs UMC Parish Ramp Builders - \$400
Benton Lions Club - \$1,000	Prospect Elementary School PTO, Cleveland - \$398
Tri-State Therapeutic Riding Center, Cleveland - \$800	Meigs County Historical Society - \$350
Meigs County Spanish Club - \$750	Meigs County High School Baseball Booster Club - \$250
Great Gift Give-Away, Crossville - \$750	Polk County Anti-Drug Coalition \$250
Clearwater Volunteer Fire Department - \$750	Cumberland County High School Cheer Booster Club \$250
Clarkrange Volunteer Fire Department - \$750	Meigs Senior Center - \$250
Toys for Children, Spring City - \$600	
McMinn County Junior Livestock - \$500	



Rody Blevins is President/CEO of Volunteer Energy Cooperative

VEC's Wholesale Rate Structure to Change

In the next several issues of *Powerlines*, I'm going to be discussing TVA new rate structure and what it means for VEC and our customers. It's a complicated issue that concerns us all, so I'd like to tackle it bit by bit to make sure all the questions get answered fully.

Overview

Tennessee Valley Authority (TVA) is phasing in a plan to change the way it charges Volunteer Energy Cooperative (VEC) for the electricity we purchase. This will be a significant change from the rate structure we have been on since the early 1990s.

Beginning in April, the wholesale rates that TVA charges VEC for electricity will be based on energy and peak energy "demand" charges. The wholesale costs for electricity will be higher in the summer to better reflect the higher costs of electricity production during that time.

VEC is in the process of conducting a cost of service study to determine a retail rate schedule that reflects TVA's new billing structure.

It is likely that VEC customers will see a modest rate increase this spring to reflect the higher wholesale costs from TVA.

The Reason

I imagine the very first question VEC members/customers have is: Why change the rate structure?

Many folks may assume that it costs the same amount of money to produce a kilowatt of electricity no matter when it is generated. But that isn't the case. When demand is low, TVA can rely mainly on coal, hydro, and nuclear generated electricity. Those are the cheapest methods TVA has for generating electricity.

But when demand exceeds the capacity of those generation methods, TVA is forced to use more expensive methods such as natural gas generation and purchasing power on the open market to meet peak demand.

Since we can't buy electricity and "store" it for when we need it, it is necessary to purchase the electricity as it is needed. Unfortunately most of us need the electricity at essentially the same time. That creates a high demand for electricity and sometimes - like on a very hot summer afternoon - that high demand cannot be met by TVA's hydro, coal, and nuclear generation capabilities. That's when the more expensive generation methods must be used to meet the need.

Charging more for electricity that is used when it is most expensive to produce, and charging less for electricity when it is used during times when it costs less to produce, helps TVA recover their higher costs.

That also means that when customers can schedule their discretionary energy use for off-peak hours, they can see those efforts pay off with lower electric bills. Customers who do not make that effort will not reap those benefits.

VEC Customers Share Gets New Pickett County Representative

Cal Ripken Jr. played 2,632 consecutive Major League Baseball games. Brett Favre played in 297 National Football League games. And the VECustomers Share program's equivalent is Don Padgett of Allardt. But all good things must come to an end.

Padgett joined the VECustomers Share Board of Directors in December of 2001 just two months after the program was initiated. After serving almost three full terms on the board - the longest period of service for any VECustomers Share board member, he stepped down in October.

Jim Taylor of Jamestown has accepted Padgett's spot on the board and now represents Fentress County.

"It's a wonderful program," Padgett said. "It has been a tremendous experience for me."

The VECustomers Share program is funded by VEC members/customers who elect to round their electric bill up to the next dollar each month. The spare change is pooled together and each month the volunteers on the VECustomers Share Board review grant applications and award funds to local organizations for projects to benefit the community.

While serving on the board, which is independent of VEC, Padgett helped direct more than a quarter of a million dollars in grants to Fentress County.

Padgett, who served as minister at Allardt Presbyterian for 27 years, said he is happy to see how many valuable community efforts in Fentress County. He said being able to assist Fentress County's Imagination Library program and Manna House Ministries through the program were highlights for him.

"I've been able to see the results in Fentress County," Padgett said. "This program supports so many beneficial projects. I have thoroughly enjoyed serving on the board. It is a group of professional and congenial people."

He said he is certain that Jim Taylor will do an excellent job on the board representing Fentress County. And Taylor, who has also served with the Gideons, and the Rotary Club, was eager to get started.

"I've been sold on this program for a long time," Taylor said. "I've seen the results here in Fentress County and I've seen how important this program is."

After his first few meetings Taylor said it gives him a good feeling to see help going to those who need it.

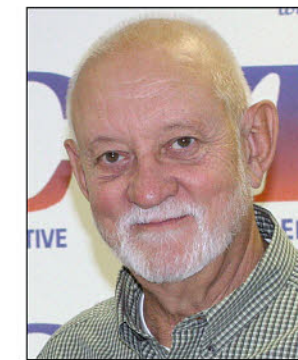
"This program supports so many worthwhile projects," he said.

Taylor said he is grateful that VEC started the program and he is especially grateful to the VEC members who participate and are the driving force behind the work. He said he and his wife Brenda have been long-time participants and he encouraged folks who do not currently participate to reconsider that decision.

"You get a good feeling when you see the difference it makes in people's lives," he added.

Currently about 77% of VEC's members/customers participate by donating to the program through rounding their bill up to the next dollar. The average participant winds up donating \$11.88 per year - or less than 50 cents per month.

But all that change adds up quickly as about \$30,000 is donated each month to local community service efforts. Since the program's inception in October of 2001, the program has generated more than \$3.6 million in community service grants.



Jim Taylor



Don Padgett