

Two McMinn County High Juniors Attend Youth Leadership Summit

Michaela Beverly and Zeke Varajon of McMinn County High School were among 44 high school juniors representing 22 electric cooperatives across the state who attended the Tennessee Electric Cooperative Association's annual Youth Leadership Summit March 21-23 in downtown Nashville. Beverly is the daughter of Michael and Angie Beverly of Athens and Varajon is the son of Holly Owens of Riceville.

"The annual summit teaches the students how important electric cooperatives are to Tennessee's rural communities and provides them an opportunity to see, in person, the legislative process in the Tennessee Capitol," said Joe Jackson, TECA director of youth and member relations.

"We had another excellent group of outstanding young leaders attend this year's summit. Through a highly selective process, local electric cooperatives, along with school officials and guidance counselors, chose these students based on their interest in government and strong leadership abilities."

"Leadership: The Wave of the Future" was the theme of the 2011 summit hosted by TECA and funded in part by the National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative financing institute that provides an independent source of funding to member cooperatives nationwide.

VEC President and CEO Rody Blevins said sponsoring these young people on this year's Youth Leadership Summit is a solid investment in the future.

"These motivated students are an example of the future leaders we're raising in our local communities," Blevins said. "VEC is privileged to provide them with this opportunity to join their peers from across Tennessee to learn about state government and rural electric co-ops."

The summit began Monday evening, March 21, with dinner at the group's hotel, the Millennium Maxwell House. Get-acquainted and leadership-development activities followed, led by cooperative employees and special guests 2010 Miss Tennessee Nicole Jordan and Tennessee Titans cheerleaders.

Students rose early on Tuesday, March 22, for breakfast and preparations for a visit to Legislative Plaza to meet their state legislators and sit in on House and Senate committee meetings. Amy Gallimore, director of leadership with TRI Leadership Resources LLC, gave the keynote address on the value of leadership before TECA Director of Government Affairs Mike Knott introduced Rep. Andy Holt of Dresden. Holt welcomed the students to Nashville and answered questions from students about legislative issues. TECA Vice President of Statewide Services David Callis explained the important role lobbyists play in the political process, discussed current bills affecting cooperatives and described what everyone would experience in the legislative committees they were to visit.

Beverly and Varajon then took a tour of the State Capitol and had the opportunity to meet with their representatives in Nashville – State Rep. John Forgety and State Sen. Mike Bell.

Following the visit to Capitol Hill, the group enjoyed lunch and leadership activities at a Nashville-area YMCA camp. After dinner, students attended a Nashville Predators hockey game at Bridgestone Arena followed by a tour of Tennessee's capital city. The busy day was capped off with an ice cream social.

Wednesday morning, the students learned more about Tennessee's electric cooperatives and the vital role co-ops play in the communities they serve. Students were divided into teams and competed in "W.A.V.E." (Working Alongside and Valuing Everyone), an interactive game in which they formed their own co-ops and worked together to "buy" and "sell" power distribution supplies — power poles, wire, transformers, meters and trucks. Then they got an overview of the history of electric cooperatives during "Surfing USA." Later, they put together all they'd learned, answering trivia questions about electric cooperatives and the state in the "Energy Battle" competition.

"In the not-too-distant future, these students will be our communities' leaders — and electric cooperative member-owners," said VEC's Robert McCarty who was one of the event's chaperones, "We want them to see what makes their electric cooperative special, appreciate all their co-op provides for their communities, and understand why it was so important to form electric co-ops in the first place."



Michaela Beverly, left, and Zeke Varajon, right, met with State Representative John Forgety in his office.



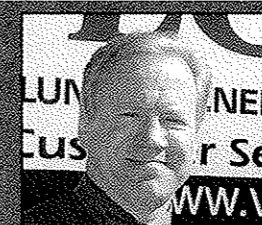
State Sen. Mike Bell, left, met with Michaela Beverly, center, and Zeke Varajon at the Tennessee State Capitol Building.



Zeke Varajon, center, and Michaela Beverly, right, enjoyed presentations by Tennessee Titans cheerleaders and Miss Tennessee Nicole Jordan.



Michaela Beverly and Zeke Varajon toured the Tennessee State Capitol Building.



New Bills, New Rates Reflect TVA's Rate Restructuring

Rody Blevins is President/CEO of Volunteer Energy Cooperative

The electric bill that accompanies this edition of *Powerlines* looks a little different than the bill you've grown accustomed to seeing from Volunteer Energy Cooperative (VEC). The new format is designed to make it easier to read and understand. We also want to give you extensive information about how your bill is calculated.

Breaking out the different charges and rates is something that VEC does and that many other utilities do not. It may prompt more requests for more explanation, but we are happy to do this in order to give our members/customers extensive information on how they are billed.

In this issue of *Powerlines* you will see a typical VEC bill with a line by line explanation of what each section means and how the total due is calculated. The new bills reflect a 2% increase in the residential rates that VEC has been forced to pass on to our member/owners to offset the additional costs we are being assessed from TVA. In previous issues of *Powerlines* I've discussed those additional costs VEC will incur from TVA's new rate structure in more detail, but what it essentially boils down to is that TVA is charging VEC a higher rate for power that is used during the summer peak season and lower rates during the other, off-peak seasons. VEC's rates do not reflect time of use pricing in which rates change according to the time of day.

In this edition of *Powerlines* we've also included a chart that shows how these new rates will affect residential member/owners according to some common use levels. Rate sheets that reflect changes for other categories of customers are available at your local VEC office and at www.vec.org.

TVA's new rate structure also shifts fuel costs that were previously included in their base rate to the Fuel Cost rate. Previously the Fuel Cost only included fuel costs that were higher or lower than budgeted amounts. Now, all fuel costs are included. VEC does not receive any of the funds collected by TVA through the Fuel Cost.

The new bills and rates also reflect an 11-cent increase in the residential customer charge from \$11.60 to \$11.71. This increase is due to TVA's reduction in the residential hydro credit. Previously TVA credited each residential customer \$1.71 on each bill as a hydro credit. Under TVA's new rate structure the hydro credit has been reduced to \$1.60.

As a member owned cooperative, we strive to provide information to our members — especially when it comes to how much you pay for your electric service.

VEC Residential Rate Changes

Effective April 2011

Summer Rates - June, July, August, September										
kWh per Month Usage	Old Energy Charge @ 8.613¢	Old FCA* @ .664¢	Old Customer Charge	Total Bill - Old Rate	New Energy Charge @ 6.895¢	New Fuel Cost* @ 2.575¢	New Customer Charge	Total Bill - New Rate	\$ Change	% Change
1,000	\$ 86.13	\$ 6.64	\$ 11.60	\$ 104.37	\$ 68.36	\$ 25.75	\$ 11.71	\$ 105.82	\$ 1.45	1.389%
1,500	\$ 129.20	\$ 9.96	\$ 11.60	\$ 150.76	\$ 102.54	\$ 38.63	\$ 11.71	\$ 152.88	\$ 2.12	1.406%
2,000	\$ 172.26	\$ 13.28	\$ 11.60	\$ 197.14	\$ 135.72	\$ 51.50	\$ 11.71	\$ 199.93	\$ 2.79	1.415%
2,500	\$ 215.33	\$ 16.60	\$ 11.60	\$ 243.53	\$ 170.90	\$ 64.38	\$ 11.71	\$ 246.99	\$ 3.46	1.421%

All Other Months										
kWh per Month Usage	Old Energy Charge @ 8.613¢	Old FCA* @ .664¢	Old Customer Charge	Total Bill - Old Rate	New Energy Charge @ 6.795¢	New Fuel Cost* @ 2.575¢	New Customer Charge	Total Bill - New Rate	\$ Change	% Change
1,000	\$ 86.13	\$ 6.64	\$ 11.60	\$ 104.37	\$ 67.95	\$ 25.75	\$ 11.71	\$ 105.41	\$ 1.04	0.996%
1,500	\$ 129.20	\$ 9.96	\$ 11.60	\$ 150.76	\$ 101.93	\$ 38.63	\$ 11.71	\$ 152.26	\$ 1.51	0.998%
2,000	\$ 172.26	\$ 13.28	\$ 11.60	\$ 197.14	\$ 135.90	\$ 51.50	\$ 11.71	\$ 199.11	\$ 1.97	0.999%
2,500	\$ 215.33	\$ 16.60	\$ 11.60	\$ 243.53	\$ 169.88	\$ 64.38	\$ 11.71	\$ 245.96	\$ 2.44	1.000%

* TVA changes the FCA rates each month. For comparison purposes, the FCA is shown here held constant at the March 2011 level.

Rate sheets that reflect changes in other rate classes are available from your local VEC office.

VEC Customers Share

YOUR CHANGE CHANGES THINGS

The VECustomers Share program funded \$31,400 in community service grants in March. Since the inception of the program in October 2001, more than \$3.7 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



VECcustomers Share Board Member Pete Williams, center, presents a grant check to Patricia Patterson, right, and Aliceann McCabe of the Spring City Friends of the Library.

Organizations receiving grants in March

- | | |
|--|--|
| Mountain Volunteer Fire Department Explorer Post 1380, Crawford - \$1,750 | Panther Basketball Boosters, Monterey - \$500 |
| Byrdstown Lions Club - \$1,500 | Midway Quarterback Club - \$400 |
| Luminary Men's Group Bleacher Project, Ten Mile - \$1,200 | Midway Youth Cheerleading Organization \$400 |
| Lady Wildcat Softball Booster Club, Benton - \$1,000 | Senior Lighthouse Center, Spring City - \$400 |
| Benton Lions Club - \$1,000 | United Fund of Cumberland County - \$400 |
| Cumberland Adult Reading Council, Crossville - \$1,000 | Cedar Valley Dizzy Dean Baseball, Decatur - \$300 |
| Friends of the Library, Spring City - \$1,000 | Meigs County High School Baseball Booster Club - \$300 |
| Cumberland County Trap Team - \$1,000 | Meigs Shock - \$300 |
| Fentress County Retired Teachers Association - \$1,000 | Meigs County Literacy Council - \$300 |
| Veterans of Foreign Wars Post 5146, Athens - \$1,000 | Storm Student Ministry, Decatur - \$300 |
| Fentress County Children's Center - \$1,000 | Meigs County Middle School Archery Booster Club - \$250 |
| Birchwood Senior Neighbors - \$1,000 | Bachman Academy, McDonald - \$250 |
| Trinity Tabernacle Helping Hands, Crossville - \$1,000 | Walker Valley High School Future Business Leaders of America - \$250 |
| Rhea County Fair - \$1,000 | Mrs. Emily Bilbrey's 5 th Grade Reading/Language/Math Club, Byrdstown - \$250 |
| Royal Family Kids Camp, Cleveland - \$1,000 | Meigs County High School Archery Booster Club - \$250 |
| Southeast Powerstrokes, Ooltewah - \$800 | Cookeville Housing Services Corporation - \$250 |
| New Horizons Camp, Ten Mile - \$750 | Midway High School Cheerleader Booster Club, Ten Mile - \$250 |
| Etowah Arts Commission - \$750 | Bread of Life Rescue Mission, Crossville - \$250 |
| Cumberland Plateau Amateur Radio Club, Crossville - \$750 | Friends of the Pickett County Library - \$250 |
| Family Promise of Bradley County - \$750 | Etowah Area Senior Citizens Center - \$250 |
| Manna House Ministries, Jamestown - \$750 | Chilhowee Middle School Volleyball Club, Benton - \$250 |
| Women United in Community Service, Athens - \$750 | Business and Professional Women of Cumberland County - \$100 |
| Birchwood Elementary School PTA - \$700 | |
| Byrdstown Senior Center - \$500 | |
| Upper Cumberland Chapter of the Military Officers Association of America, Crossville - \$500 | |
| Byrdstown Headstart - \$500 | |
| Polk County Food Bank - \$500 | |
| Behavioral Research Institute, Cleveland - \$500 | |

Young Leaders Attend Statewide Conference Focusing on Cooperatives and Agricultural Issues

Josh and Carolyn Guthrie of Riceville were among more than 400 people from across the state who met in Pigeon Forge on Feb. 25 - 26 for the Tennessee Young Leaders Conference, an annual event that educates and equips leaders in cooperative and agricultural issues.

The event was sponsored by the Farm Bureau's Young Farmers and Ranchers and the Tennessee Council of Cooperatives, an organization composed of a variety of cooperatives including farm credit banks, dairy, farm supply, telephone, electric and tobacco co-ops.

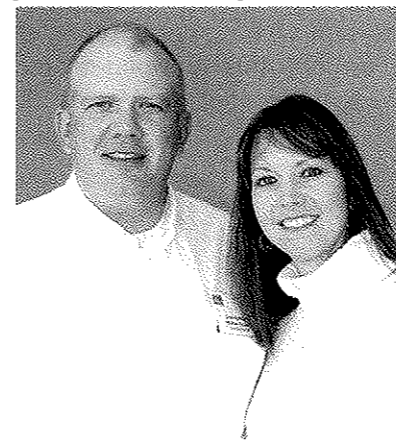
The Guthries were sponsored by Volunteer Energy Cooperative.

"Cooperatives are making a concerted effort to educate their customers which is critical these days," said Dr. David Kohl, Professor Emeritus in the Department of Agriculture and Applied Economics at Virginia Tech and featured presenter for the conference. "Farmers and ranchers need two to six hours per week of lifelong learning to stay on the cutting edge in a globally competitive marketplace."

The Young Leaders Conference provides cooperatives across the state a unique opportunity to educate young leaders regarding the benefits of cooperatives.

Those attending the 2011 conference were exposed to ideas and information that will enable them to add value to their own businesses, form new niche cooperatives with others in their communities, and meet the challenges of the future with cooperative marketing innovations.

"Our cooperatives are owned by our members, the very people here at this meeting, and we exist to serve them," said Charles Curtis, President, Tennessee Council of Cooperatives. "But cooperatives also need leaders who can use their abilities and take on responsibilities in their communities."



Josh and Carolyn Guthrie, of Riceville, were sponsored by Volunteer Energy Cooperative at the Tennessee Young Leaders Conference.

Tennessee Valley Authority (TVA)

Residential & Outdoor Lighting Fuel Cost Adjustment

Effective May 1, 2011

2.543¢

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

TVA is now reflecting the full cost of fuel used to generate electricity in the Fuel Cost Adjustment. Previously the FCA only included a fraction of this cost and the energy charge included the remainder. As a result of TVA's most recent change, the Fuel Cost Adjustment for electric consumers throughout the Tennessee Valley shows a substantial increase beginning in April. The energy charge drops as the fuel cost is removed from this segment of the charge.

SERVICE	PRESENT READING	PREVIOUS READING	AMOUNT USED	CURRENT AMOUNT
CUSTOMER CHARGE				\$ 11.71
ELECTRIC (KILOWATT HOURS)			@ 0.067950	
TVA FUEL COST			@ 0.025750	
ELECTRIC COST	38512	36915	1597 @ 0.093700	149.64
SUB TOTAL				161.35
VECUSTOMERS SHARE				0.65
TOTAL CURRENT CHARGES				162.00
A				
Activity Since Last Bill		\$ Amount		
Previous Balance		222.00		
Payment		-222.00		
Late Charge		0.00		
Other Adjustments		0.00		
Balance Prior to this Billing		0.00		
TOTAL DUE				\$ 162.00

Average Temperature (Degrees F) for

APR 10: 55 MAR 11: 50 APR 11: 54

B

How to Read Your Residential Electric Bill

Note: Bills for customers who have additional services will reflect additional items not shown here.

Customer Charge - This is the charge applied to recover the fixed costs of delivering electricity.

Electric (Kilowatt Hours) - This is the base rate charged per kWh used.

TVA Fuel Cost - TVA adjusts this rate monthly.

Outdoor Lighting - Customers who subscribe to outdoor lighting service will see this charge listed here.

Electric Cost - This line indicates the values used to calculate the use in kilowatt hours (kWh), the total rate charged per kWh, and the electric costs. The electric cost is calculated by subtracting the previous reading from the present reading to determine the amount of energy used. The usage is then multiplied by the rate to determine electric cost.

Subtotal - This line includes the sum of the charge for electricity used, Outdoor Lighting (if applicable) and the customer charge.

VECcustomers Share - For customers who choose to participate in the VECcustomers Share program, this line includes the amount that the bill has been rounded up to reach the next whole dollar.

Total Current Charges - This line totals the charges above.

Average Temperature Data - This box includes local temperature data for the current billing period, the previous billing period, and the same billing period one year ago.

Activity Since Last Bill - This box includes a record of other charges, payments, and adjustments that have been applied to the account since the last bill was issued.

Late Fee - This section includes information about the date a late fee will be charged and the amount of the late fee.

Total Due - This section includes the total amount due to VEC for the month and may include other payment messages.

A - This section of the bill is used to show Levelized Billing, Project Deserve, Surge Sentry, heat pump loans, or waste collection charges, where applicable.

B - This section of the bill indicates participation in Levelized Billing and/or Bank Draft programs.