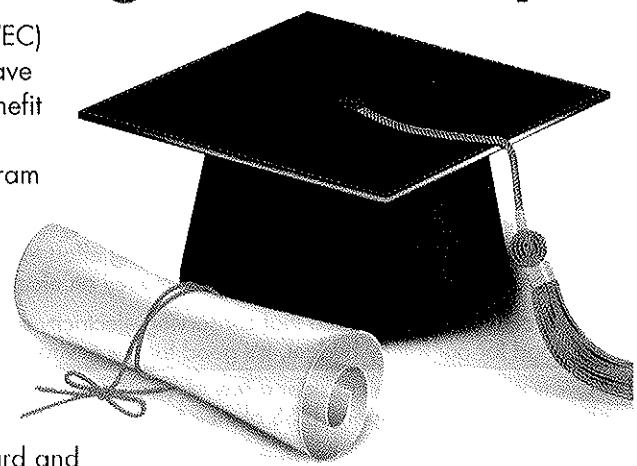


VEC offers College Scholarships

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. Mr. Shadow and Mr. Lillard were instrumental in improving the lives and livelihoods of thousands of residents through electric power.

Four awards of \$500 per semester each (renewable for up to four semesters) will be presented to spring 2012 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, 2012.

Statement of Nondiscrimination

Volunteer Energy Cooperative is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities. The person responsible for coordinating this organization's nondiscrimination compliance efforts is Rody Blevins, President/CEO. Any individual, or specific class of individuals, who feels this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

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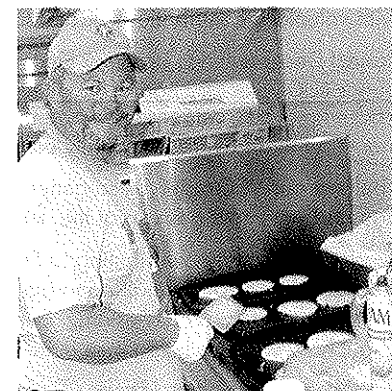
She added that the support of the entire Decatur and Meigs County community is indispensable.

Folks from the Meigs County School System and Meigs Middle School were particularly important, but the event also got support from many others in the community.

Having the volunteer support of so many in the community is crucial to the event, but that's only fitting since it took a voluntary, community-wide effort to form the cooperative way back in 1935.

Of course that first meeting held to form the cooperative in May of 1935 had 55 people present in Decatur. This year's Annual Meeting hosted 1,100. The size and the number of people served by the cooperative has changed a great deal, but the cooperative spirit - a community coming together to get the job done themselves - hasn't changed at all.

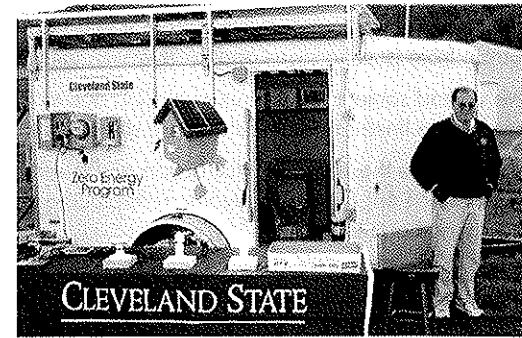
And that's what it means to be a part owner of Volunteer Energy Cooperative.



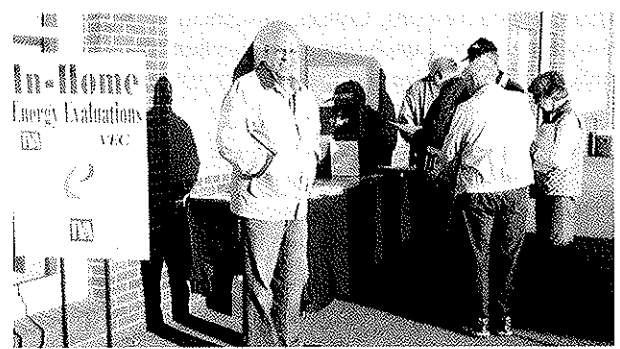
The Kiwanis Club of Spring City served up the pancake breakfast.



Grand Ole Opry member and former Hee-Haw star Mike Snider, right, mixed music and jokes as the day's headlining entertainer.



Cleveland State Community College's Alan Gentry provided a futuristic look at renewable energy sources.



Energy experts John Proffitt and Marcus Standifer and TVA's Les Hartman gave those attending useful tips on how to save energy and save money.



Charlene Withrow (pictured) and Tammy Jones helped those attending put on a happy face.

VEC Annual Meeting Showcases the Cooperative Difference

What does it mean to be a part owner of the company that supplies your electricity?

VEC's 75th Annual Meeting that was held Saturday, October 1st in Decatur, gave a snapshot of what it means. The 1,100 in attendance heard reports from President/CEO Rody Blevins, VEC Board of Directors Chairman Laney Colvard, and Board of Directors Secretary/Treasurer Sammy Norton. Attendees also heard the results of the Board of Director elections and got a chance to see displays highlighting the products and services offered by the electric cooperative they own.

VEC's Marketing and Economic Development Department was responsible for putting the event together.

"Our Annual Meeting is a very big part of our year," Vice President of MED Patty Hurley said. "It's a great opportunity for us to connect with our member-owners, communicate with them about their cooperative, and do our best to provide answers to any general questions they may have about their cooperative."

But the meeting also offered plenty of entertainment, food, door prizes, goody bags, and free flu shots for those in attendance. Putting the event together is a huge undertaking and Hurley was quick to point out that she couldn't do it without an abundance of help.

"We get so much volunteer support from our employees," Hurley said. "Most of our guests probably don't realize that our employees at the Annual Meeting are not being paid to help with the event. They volunteer to give up their Saturday in order to be available to our members and to help with the event."



Cleveland State Community College's "Vocal Rhapsody" provided the morning entertainment.



VEC's Chris McKenzie shuttled guests from the parking lot to the front door.

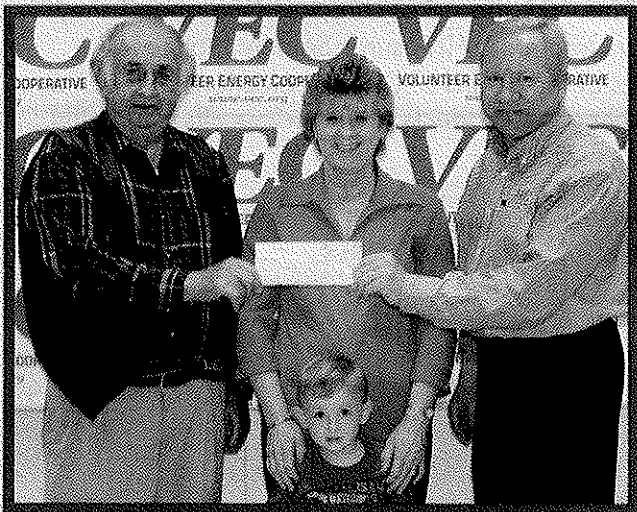
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VEC Customers Share

Neighbors Helping Neighbors

Volunteer Energy Cooperative (VEC) members who participate in the VECustomers Share program funded \$30,500 in community service grants in September. By rounding their electric bills up to the next whole dollar and donating the change to the program, members have funded more than \$3.9 million since its inception in October of 2001.

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.



Volunteer Energy Cooperative President/CEO Rody Blevins, right, presents a grant check to Tom Morgan, left, Nancy Williams and Tucker Williams of Cherokee Removal Park-Blythe Ferry.

Organizations receiving grants in September

- | | |
|---|---|
| Operation REACH, Kingston - \$2,500 | Brown Middle School PTO, Harrison - \$500 |
| Fentress County Literacy Council - \$2,000 | Byrdstown Senior Center - \$500 |
| Rhea County Veterans Coordinating Committee - \$1,500 | Hales Chapel Community Center, Crossville - \$500 |
| Greasy Creek Food Bank, Reliance - \$1,250 | Stone Elementary School Book Worm Club, Crossville - \$500 |
| Vine Ridge Missionary Baptist Church 5 Loaves Food Pantry, Crawford - \$1,200 | Stone Memorial High School Lady Panther Softball Booster Club, Crossville - \$500 |
| Pickett County Junior High Reading Club - \$1,000 | Cumberland County High School Cheer Boosters - \$500 |
| Community Outreach Prevention Education, Byrdstown - \$1,000 | God Spot Block Party, Decatur - \$500 |
| Bradley County Scottish Rite Shoe Fund - \$1,000 | Stone Memorial High School Wrestling Team Booster Club, Crossville - \$500 |
| Cherokee Removal Park - Blythe Ferry, Birchwood - \$1,000 | Pine Haven 4 th Grade Reading Club, Jamestown - \$500 |
| Museum Center at Five Points, Cleveland - \$1,000 | Korean War Veterans Association Plateau Chapter #297, Crossville - \$500 |
| Riceville Youth Cheerleading - \$1,000 | Meigs County High School FCA - \$500 |
| Funday, Benton - \$1,000 | TriCounty Center, Athens - \$500 |
| Monterey High School Virtual Enterprise Club - \$800 | Gear Up, Decatur - \$500 |
| Meigs County Festival for Life - \$750 | American Cancer Society of Rhea County - \$500 |
| McMinn Central High School Lady Volleyball Booster Club - \$556 | American Cancer Society of Hamilton County - \$500 |
| Chattanooga-Hamilton F.O.P. Lodge #22 - \$500 | MARA Medical Ministry, Crossville - \$500 |
| Homestead JV Boys Basketball Boosters, Crossville - \$500 | Rhea County Domestic Violence Council - \$500 |
| Fair Park Senior Center, Crossville - \$500 | Calhoun School PTO - \$444 |
| Meigs South Elementary School PTO - \$500 | Stone Elementary School Beta Club, Crossville - \$250 |
| Cleveland/Bradley Chamber Foundation - \$500 | Performing Arts Alliance of Rural Tennessee, Crossville - \$250 |
| Hospice of Cumberland County - \$500 | |
| Polk County High School Girls Volleyball Club - \$500 | |



Those in Need... and Other Subjects

Rody Blevins is President/CEO of Volunteer Energy Cooperative

Project Deserve Helps Those in Need

During the holiday season many of us take time to reflect on the blessings we enjoy. It's also a time when many of us think of ways to help those experiencing hardships. I'd like to ask you to consider helping your friends and neighbors who are in need through Volunteer Energy Cooperative's Project Deserve.



VEC's Project Deserve program provides temporary electric bill assistance to families in tight financial situations. It is not designed as a long-term solution; families can only receive Project Deserve funds once per year. Funds come from VEC customers who participate with voluntary contributions added to their power bill each month.

Project Deserve funds are very limited; we currently collect less than \$800 each month through about 400 voluntary contributions to this program system-wide. Of the total amount collected, VEC employees, retirees, and board members contribute a full 15% of the total collected each month, with an average monthly contribution of \$2.17.

I believe our VEC family is so generous because we talk with people who need this help every day and we know how great the needs are.

If you are currently contributing to Project Deserve, thank you. If you do not contribute, please consider doing so. A small donation can make a big difference in someone's life. You can contact your local VEC Customer Service Center or visit our website at www.vec.org for details about how you can help those in need through Project Deserve.

Posting Signs on Utility Poles is Dangerous and Illegal

With thousands of volts of electricity above and unforgiving ground below, linemen have plenty of safety concerns to consider when they start climbing a utility pole. Illegally posted signs and flyers make their lives that much more difficult.

Volunteer Energy Cooperative asks that you stop to consider the potential hazards and then refrain from posting signs and/or flyers on utility poles.

We've had some serious injuries at VEC due to these and across the nation there have even been some lineman fatalities that are directly attributable to sign and flyers.

Not only are these signs a distraction and a safety concern, they are also illegal. State law (TCA 2-19-144) prohibits anyone from placing signs on utility poles unless they have been legally authorized to do so.

Beware of Too-Good-To-Be-True Energy Claims

Folks in the Tennessee Valley, as well as folks from around the country, are experiencing tough economic times and rising energy costs. That makes all of us more interested in exploring money-saving options. It also means that shady operators who are more interested in separating you from your money than they are in your safety or your energy use are coming out of the woodwork.

The old saying "If it is too good to be true, it probably is" is particularly true on the energy-savings front. Most everyone has heard of the tried and true methods: Calking, insulation, energy efficient appliances, managing your thermostat well, and unplugging devices that aren't in use. But the desire to get quicker, more dramatic results may give shady operators just the opportunity they are looking for.

If someone attempts to sell you a product that requires you to remove your meter to install it, alarm bells should start sounding. There are some illegal and very dangerous products being sold with installation instructions that require removing their meter. Anytime a meter is compromised, it can cause an electrical catastrophe. Not to mention, meter tampering is against the law.

The bottom line is that there is no silver bullet. Saving energy is not as simple as plugging in a device into an outlet or meter. Looking for a quick fix will just lead to disappointment and wasted money.

Volunteer Energy Cooperative is like other electric cooperatives around the nation – we will actually try to help you spend less money on our product. Not many businesses do that. But we are a cooperative – owned and operated by the people we serve. So if you're serious about wanting to lower your electric bill, we want to help. A good place to start is at www.vec.org.

Save Money this Winter with a Free Energy Evaluation or Heat Pump Financing

When temperatures drop electric bills rise. But you can help offset higher electric use this winter with a free In-Home Energy Evaluation or by installing a high efficiency heat pump - and VEC is ready to help.

There are not many companies that will work as hard as Volunteer Energy Cooperative (VEC) will to help you spend less money on their products. That is one difference that separates VEC from most other businesses.

It sounds like a strange way to run a business, but VEC is a not-for-profit cooperative – owned and operated by, and for the sole benefit of the people who get their electricity from VEC. And since there is no profit motive, VEC makes a big effort to help customers use less electricity, use electricity more efficiently, and spend less money on electricity.

VEC is committed to the idea that conserving electricity and using electricity more efficiently isn't just good for our family budget, it's good for the environment as well.

Now is a great time to consider a few of VEC's most popular programs designed to help electricity consumers spend LESS of their hard-earned money on energy costs.

Free In-Home Energy Evaluation

Under the free In-Home Energy Evaluation program customers can get a free in-home inspection from an energy-efficiency professional. The customer is under no obligation to make any of the suggested improvements, but if they choose to make any improvements, they can qualify for rebates on 50% of what they spend up to \$500.

Heat Pump Financing

Under the energy right solutions® program customers can also get financing to install energy efficient heat pumps. The program features interest rates as low as 6% for qualifying heat pumps, convenient payment arrangements, and a streamlined application process.

VEC works closely with heat pump contractors throughout the region to make the process quick and easy. And a new high-efficiency electric heat pump will pay dividends in lower electric bills. In fact, many customers report that their savings on energy costs more than offset their heat pump payment. www.vec.org

VEC also offers a powerful web-based tool to help customers see exactly how much money they can save by making energy efficiency improvements to their home. The "Home Energy Suite" at www.vec.org uses localized climate data and real rate data to give customers very accurate results that can be used to anticipate electric bills and see exactly how much selected improvements can save customers over the course of a month or a year.

Call your local VEC Customer Service Center or VEC's Marketing and Economic Development Department at 423-334-7051 for more information on how you can take advantage of your cooperative's programs designed to save energy – and save money.

Tennessee Valley Authority (TVA)

Residential & Outdoor Lighting Fuel Cost Adjustment
Effective November 1, 2011

2.470¢

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 2011. The energy charge drops as the fuel cost is removed from this segment of the charge.