

Volunteer Energy Cooperative to Auction Surplus Vehicles, Equipment

Volunteer Energy Cooperative (VEC) will sell surplus vehicles and equipment at absolute auction on Saturday, June 22 at VEC's Decatur Customer Service Center at 18359 Highway 58 North in Decatur.

Vehicles to be auctioned will be available for inspection from 1 p.m. to 6 p.m. Eastern Time on Friday, June 21 and from 8 a.m. to 10 a.m. Eastern Time the day of the auction.

The auction is slated to begin at 10 a.m. Eastern Time. All vehicles purchased must be paid for on the day of the sale by cash or check.

Vehicles scheduled for auction (subject to change without notice) include: 1 Chevy Trailblazer 4WD; 6 Chevy 1500 4WD pickups (year models 2000 to 2005); 1 Ford F-150 4WD pickup (with bad engine); 2 2006 F-250 4WD; 1 1987 GMC cab & chassis (21,200 GVWR); and miscellaneous office furniture, equipment, and tools.

The auction will be conducted by Big I Auctions, TAL 992; TFL 397.



VOLUNTEER ENERGY COOPERATIVE WILL OFFER THESE AND OTHER SURPLUS VEHICLES AND EQUIPMENT FOR ABSOLUTE AUCTION ON SATURDAY, JUNE 22ND



VEC Board, Management Take Co-op Message to Legislators

More than 180 directors and employees from Tennessee's electric cooperatives were in Nashville April 1 and 2 for the 2013 Tennessee Electric Cooperative Association Legislative Conference. Attendees met with their legislators on Capitol Hill to help them better understand electric cooperatives and the issues that impact them.

U.S. Rep. Marsha Blackburn also addressed the group, discussing in detail how the Environmental Protection Agency (EPA) is overstepping its boundaries and stifling job creation. "The EPA audits businesses looking for ways to fine them," said Blackburn. "Their attitude is not helpful, and that is not what the Federal government is supposed to do."

Tennessee's electric cooperatives maintain an active presence in Nashville and Washington, D.C., to be certain that the interests of co-op members are protected. "Electric cooperatives are not-for-profit, member-owned and -regulated and accountable to their communities. These are important distinctions that legislators must understand," says David Callis, general manager of the Tennessee Electric Cooperative Association. "The decisions made by legislators can have enormous effects on our members' electric bills, so our job is to inform and educate them on the impacts of proposed legislation."

Most issues affecting co-ops this year revolve around local control. "We believe that our members are best served when local decisions are made by local board members elected to run the cooperative," says Mike Knotts, director of government affairs with TECA. "We are concerned when legislation limits a board's ability to act in the best interests of its members."

"Educated and informed legislators are a key component of low-cost, reliable power in Tennessee," says Knotts. "Co-op members make a powerful impression when they come to meet with their legislators."

More than 90 legislative visits were made during the conference, and 63 house and senate members attended the co-ops' legislative reception.

VEC President/CEO Rody Blevins, VEC Vice-President of Marketing and Economic Development Patty Hurley, VEC Crossville Service Area Manager Bobby Randolph, and VEC board members Sammy Norton (Meigs County), Jerry Henley (Rhea and Bledsoe counties), Tim Handler (Roane and Loudon counties), Larry Storie (Pickett County), and Russ Carmichael (McMinn County) made up the VEC contingent.

They met with state legislators John Fogerty, Charles Curtiss, Gerald McCormick,



VEC board members and management discuss legislative issues with State Senator Mike Bell.

SurgeGuard



Volunteer Energy Cooperative is Now Accepting New Enrollment in the SurgeGuard Program

- Protect your home's sensitive electronics and appliances.
- Two levels of protection for one low monthly fee.
- Contact Your Local VEC Customers Service Center for Details



Third in a Series

Goal of Rate Structure is to Recover Costs Fairly

This third installment of my series of columns on electric rates takes a look at how VEC's rate structure is designed to recover costs fairly from a wide range of customers. VEC incurs a wide range of costs in serving a variety of customers with a wide array of electricity needs.

The infrastructure necessary to serve the demands of the average residential customer is very different from the equipment needed to serve commercial and industrial customers. Even within the commercial and industrial customer categories, there are a wide range of needs. Our goal is to recover these costs fairly.

The biggest difference in costs VEC incurs hinges on how much electricity a particular customer needs at the peak-use. Some customers use a moderate amount of electricity most of the time but during brief intervals they require a much larger amount. The difference is usually more pronounced in commercial and industrial customers. VEC must maintain the equipment necessary to meet the peak demand period. These are fixed costs.

Fixed costs do not vary by the amount of electricity used and VEC recovers some of these costs through a customer charge, a facilities charge, and/or a demand charge.

The costs that vary according to how much electricity is used are recovered through the per kilowatt hour (kWh) charge.

In addition to weighing the fixed costs and variable costs in providing service, VEC also weighs energy conservation/energy efficiency incentives, commercial and industrial recruitment incentives, projected sales, and operational expenses. We also factor in more difficult calculations such as weather projections, economic growth (and reduction), and system improvements that will be needed.

VEC periodically performs Cost of Service analysis for different customer classes. We then apply our calculations to this analysis to determine rates that match the costs of serving different classes of customers.

Our current rate structure includes categories for:

Residential (RS) – Is the rate schedule for single-family dwelling metered from a single meter where the majority of electricity is used for domestic purposes.

LS – For street and park lighting, traffic signals, athletic fields, and outdoor lighting for individual customers.

GSA – For commercial, industrial, governmental, churches, and other non-residential uses where a customer's demand is 5,000 kW or less. The GSB rate serves the same customers whose demand is between 5,000 and 15,000 kW, GSC rate applies to those customers whose demand is between 15,000 kW and 25,000 kW, and GSD is the rate applied to these type customers when their demand exceeds 25,000 kW.

MSA – applies to industrial customers whose demand is less than 5,000 kW, MSB applies to these customers where their demand is between 5,000 kW and 15,000 kW, MSC applies to these customers whose demand is between 15,000 kW and 25,000 kW, and the MSD rate schedule is applied to these customers whose demand exceeds 25,000 kW.

VEC also applies a schedule of fees to recover one-time expenses like late charges, reconnect fees, returned check charges, temporary service fees, etc.

As a not-for-profit, member-owned cooperative, the one calculation that never goes into VEC's rates is profit. We only charge what it costs to deliver service and we go to great lengths to make sure our rates for every class of customer matches the costs we incur in providing service to that class of customer.



Rody Blevins
President/CEO
Volunteer Energy
Cooperative

VEC Customers Share Neighbors Helping Neighbors



The VECustomers Share program funded \$29,300 in community service grants in March. Since the inception of the program in October 2001, more than \$4.5 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.



VEC Customers Share Board Member Gloria Schouggins, right, presents a grant check to Joanne Ewing of New Horizons Camp.

Organizations receiving grants in March

McMeigleysoe 4-H	\$1,500	Mayland Senior Citizens Club, Crossville	\$500
Midway High PTO (Viar Choir)	\$1,250	Hilltopper Boosters, Crossville	\$500
Pickett County 6th Grade Math Club	\$1,250	Cumberland Adult Reading Council	\$500
Fentress County Ministerial Association	\$1,100	Polk County Alumni Association	\$500
New Horizons Camp, Ten Mile	\$1,050	Crab Orchard Care Center	\$500
Monterey Project Graduation 2013	\$1,000	Distinguished Young Woman Program of Rhea County	\$500
Adult & Family Education of McMinn County	\$1,000	Cumberland County Habitat for Humanity	\$500
Valley View Baptist Storehouse, Cleveland	\$1,000	For the Children Quilting Ministry, Crossville	\$500
Jones Chapel UMC Food Pantry, Riceville	\$1,000	South Fentress Elementary School PTO	\$500
Meigs County Historical Society	\$950	Cumberland County Men's Club Soccer Boosters	\$500
Monterey Easter Celebration Committee	\$850	Pickett County Beta Club	\$500
Chilhowee Middle School Golf Boosters, Benton	\$800	Cumberland County Foster/Adoptive Parent Association	\$500
Birchwood Elementary School PTA	\$750	Polk County Band Boosters	\$500
Ooltewah High School Band Booster	\$750	Central High School PTSA (Library), Harrison	\$500
Flash Forward/Tennessee Senior Olympics Women's Basketball Team (60s), Cleveland	\$750	Cumberland County Master Gardeners Association	\$500
Flashback/Tennessee Senior Olympics Women's Basketball Team (50s), Cleveland	\$750	Mrs. Kim's 1st Grade Language Club, Byrdstown	\$500
People Helping People Community Kitchen, Benton	\$700	Cub Scout Pack 3176, Pikeville	\$442
White County High School "Project Graduation", Sparta	\$650	Fentress County American Cancer Society Relay for Life	\$400
Tennessee Chapel Church Food Pantry, Kingston	\$650	Cumberland County Artisans for Creative Expression	\$358
Allardt Elementary School PTO (Middle School Baseball)	\$500	John Knox Center, Ten Mile	\$350
BASIC of Tennessee, Birchwood	\$500	Mrs. Leah Amonett's 2nd Grade Science & Math Club, Byrdstown	\$250
Meigs County River Cats 7 & 8 Year-Old Baseball Team	\$500	Midway High School PTO (P-3 Club)	\$250

York Students Attend Youth Leadership Summit



State Representative Kelly Keisling, right, welcomed Ethan Davidson of York Institute to his legislative office.



State Representative Kelly Keisling, right, poses in his legislative office with Michaela Clark of York Institute.

Ethan Davidson and Michaela Clark of York Institute were sponsored by Volunteer Energy Cooperative to attend the Tennessee Electric Cooperative Association's 2013 Youth Leadership Summit March 25-27 in downtown Nashville. Clark, daughter of Kenneth and Polly Clark of Jamestown and Davidson, son of Joey and Amanda Davidson, also of Jamestown, were among 46 high school juniors representing the state's 23 electric cooperatives who attended the annual event.

"The Youth Leadership Summit teaches these

exceptional students how important electric cooperatives are to Tennessee's communities and provides them an opportunity to see the legislative process in the Capitol," said Todd Blocker, TECA director of member relations. "Local electric co-ops, school officials and guidance counselors chose these deserving students to attend the summit based on their interests in government and strong leadership abilities."

VEC President/CEO Rody Blevins said VEC is proud to make this investment in the future of our communities.

"Ethan and Michaela are both fine examples of the future leaders we're raising in our local communities," Blevins said. "VEC is pleased to provide motivated students 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 25, with dinner at the group's hotel, the Millennium Maxwell House. Get-acquainted and leadership-development activities followed, led by Amy Gallimore of TRI Leadership Resources LLC. The night ended with informational presentations on the legislative process — on the federal and state levels — by Steve Uram with the National Rural Electric Cooperative Association and Tennessee electric co-op employees.

Students rose early on Tuesday, March 26, for breakfast and preparations for a visit to Legislative Plaza. TECA Director of Government Affairs Mike Knotts introduced Rep. Andy Holt of Dresden, who welcomed the students to Nashville and answered their questions about legislative issues. Davidson and Clark then toured the Capitol and saw state government in action at Senate and House committee meetings before meeting with State Rep. Kelly Keisling and State Rep. John Mark Windle.

Both Davidson and Clark urged their representative to vote against a pending measure that would have withdrawn state funding for York Institute. The measure was "taken off notice" the following day essentially killing the bill.

Following the visit to Capitol Hill, the group enjoyed lunch and leadership activities at a Nashville-area YMCA camp, where the students were also treated to a hot-line trailer demonstration by Tri-County Electric Membership Corporation and Sunbelt Retail. Tri-County EMC employees showed that electric power does a tremendous amount of work for us, but because it is such a powerful force, we must be careful around it and always exercise safety around power lines. The fun continued with dinner and games at Dave & Buster's, and the busy day was capped off by special guest speakers 2012 Miss Tennessee Chandler Lawson and Stephanie Armstrong, team captain of the Tennessee Titans cheerleaders.

Wednesday morning, the students were divided into teams and formed their own co-ops and worked together to "buy" and "sell" power distribution supplies and resolve day-to-day issues local electric co-ops face like power outages and rights-of-way conflicts. Then they got an overview of the history of electric cooperatives and answered trivia questions about electric co-ops and the state in the "Energy Battle" competition.

"These students will soon be our community leaders — and electric cooperative member-owners," said Robert McCarty, VEC's communications coordinator and chaperone for the event. "We want them to see

what makes their electric cooperative special and understand why it was so important to form electric co-ops in the first place. We also want these future leaders to get a look at government in action and give them the opportunity to network with other young leaders from across the state."



State Representative John Mark Windle, left, sports his "York Forever" button acknowledging the commitment the State of Tennessee made to Sgt. Alvin York to fund a school in Fentress County in perpetuity as he poses with Ethan Davidson and Michaela Clark who are juniors at York Institute. On the right is Robert McCarty, VEC's communications coordinator who served as a chaperone for the 2013 Youth Leadership Summit.



Tennessee Valley Authority (TVA)

Residential & Outdoor Lighting Fuel Cost Adjustment
Effective May 1, 2013

2.537¢



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

HAPPY FATHER'S DAY