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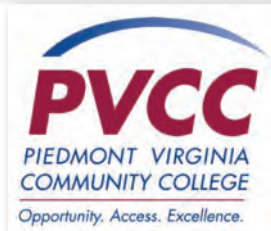
MEMBER NEWSLETTER OF CENTRAL VIRGINIA ELECTRIC COOPERATIVE

"Improving the quality of your life in a quietly impressive way."

Winter 2011

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COLLEGE SCHOLARSHIPS AVAILABLE FOR CVEC MEMBERS



High school seniors whose parents or guardians are members of Central Virginia Electric Cooperative (CVEC), and whose primary residence is served by the cooperative, are eligible to apply now for 2011 college or technical school scholarships to be awarded by the Virginia, Maryland & Delaware Association of Electric Cooperatives (VMDAEC) Educational Scholarship Foundation.

Scholarship recipients will be chosen based on three major criteria:

- *financial need (40%),*
- *academic achievement (40%)*
- *school and community involvement (20%).*

Applicants must provide evidence of acceptance in a post-high school educational institution or program. Scholarship funds will be sent directly to the educational institution the recipient will attend and placed in the student's account. Funds can be used to pay for tuition, fees and books.

Applications for 2011 scholarships are available online now

- at www.vmdaec.com, www.co-opliving.com/community/scholarship
- and at www.mycvec.com
- and by mail from:

VMDAEC Scholarships
P.O. Box 2340
Glen Allen, VA 23059

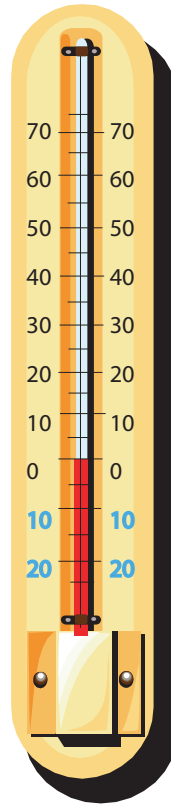
In 2010, the VMDAEC Educational Foundation awarded 27 scholarships totaling \$27,000 to deserving students throughout Delaware, Maryland and Virginia. Since its inception in 2000, 289 students have received VMDAEC scholarships totaling \$198,500. The Foundation is funded through tax-deductible donations from individuals and VMDAEC member electric cooperatives and also from the proceeds of events such as the annual Gaff-n-Go Lineman's Rodeo and Golf Tournament. The number of scholarships awarded each year is based on the funds available. ♥

Winter Weather and Heating Degree Days

While common sense tells us that we use more energy to heat our homes during the coldest times of the year, it can take us by surprise when we open our electric bill. At first we wonder if the Co-op has raised our rates but then we find that our energy consumption has risen dramatically. There are a few factors that help explain the higher energy consumption.

The first factor is illustrated by the Heating Degree Days calculation:

1. Heating Degree Days are a way to measure how much colder it was in December 2010 compared to, for example, the previous month or the previous year.
2. It compares the average daily temperature outside to the thermostat setting in your home and the difference is the number of heating degree days for that particular day (ie. $68^{\circ} - 38^{\circ} = 30$ heating degree days on December 1).
3. You can then total the heating degree days for a particular month or even your specific billing period to understand how hard your heating system had to work to maintain a 68° temperature in your home.
4. According to www.degreeday.net, December 2010 required a total of 1136 for the entire month or 36° per day, which would put the average outside temperature at 32° for the entire month. By way of comparison, November 2010 required 652 heating degree days or a little less than half of December 2010.



A second critical factor comes into play when we look at the data above. If you have a heat pump as the primary source of heating, understand that your heat pump can efficiently exchange air until the temperature drops into the low 30's. Once that happens, emergency or resistance heat is activated and that mode of heating is about three times as expensive as the normal air exchange process. Since the average temperature in December was right around freezing, not only was your heating system working harder to maintain your indoor temperature, but it was costing significantly more if you had a heat pump operating in resistance heat mode.

And a third factor for December is the possibility of greater energy consumption due to holiday activities, cooking, visitors, lighting and new appliances.

So the average outdoor temperature, limitations of our heating systems and holiday activities are the three primary causes of higher energy bills during the month of December. 📍

Energy Efficiency Helps Reduce Consumption and Lower Electric Bills

Even after the winter passes, we all need to work on reducing our energy consumption. CVEC has some of the lowest electric rates in Virginia largely due to a very favorable wholesale energy contract. When that contract expires in mid-2012, all of us will begin paying more for energy, just like our friends and neighbors served by other utilities have been paying for a long time.

One strategy to combat rising energy costs is to conserve where we can and become more energy efficient. Toward that end, CVEC just introduced an online energy efficiency newsletter, **Energy Sense**. In addition to regular articles and tips on energy efficiency, the newsletter contains an energy calculator for heating, cooling and appliances and an energy library filled with helpful information. Visit www.myvec.com and follow the link to the **Energy Sense E-Newsletter**.

Two other tools to help identify where you are spending your energy dollar are the CVEC online energy audit and the CVEC appliance chart. You can also find them at www.myvec.com under the Conservation and Safety section. 📍



Budget Billing Makes Good Sense

To avoid seasonal fluctuations on the electric bill, your Cooperative offers budget billing for residential members who have been free of late charges over the past twelve months.

CVEC will average your previous year of usage so that you will pay the same amount during eleven months in a year. The twelfth month is called settle-up month and you will pay more or less depending on your total energy usage for the year.

You can enroll in May or September if you want to participate in budget billing. 📍



CVEC contract crews will be clearing right of way in the following areas:

- Boonesville
- Mission Home
- Free Union
- Andersonville
- Mt. Rush
- Wingina
- Wilmington
- Bybee

If you have questions or comments, please contact our forester by e-mail:

forester@forcvec.com or
by calling 1-800-367-2832. 📍

Customer Complaint Procedure

It is Central Virginia Electric Cooperative's goal to provide you, the member, with the best electric service possible. However, no matter how hard we try, we may not be able to satisfy everyone.

In most cases, our customer service reps can handle any complaint which arises. To contact a CVEC customer service representative, please call the **800-367-2832** and choose **option 2**.

If you are not satisfied with the explanation you received from a CVEC customer service representative, please follow the procedure below and your complaint will receive prompt attention.

✓ Please make a formal written complaint, clearly stating the issue that caused your dissatisfaction and providing all necessary details.

✓ On the written complaint, please provide your :

1. Name
2. Account number
3. Service address
4. Mailing address
5. Telephone number

✓ Mail your formal written complaint to:
Central Virginia Electric Cooperative
Customer Service Department
P. O. Box 247
Lovingson, VA 22949-0247

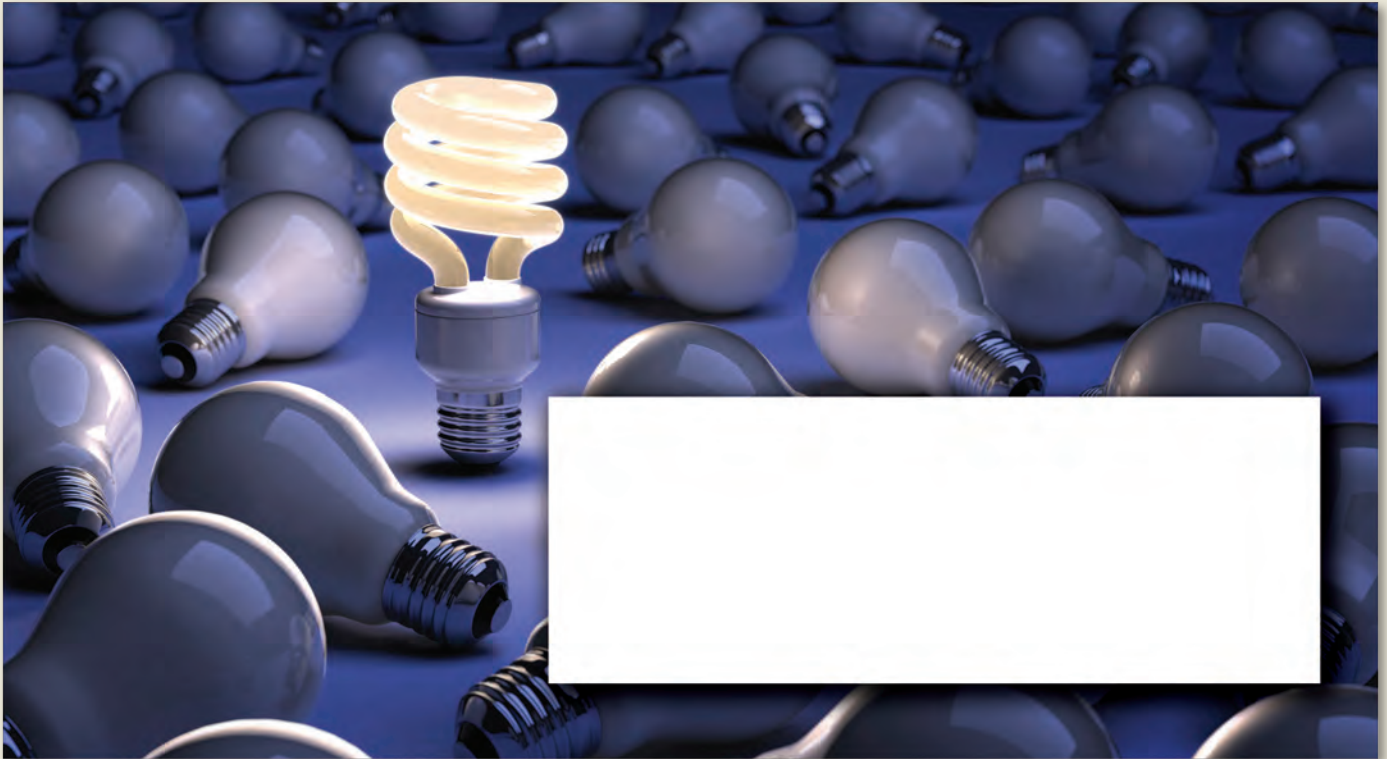
✓ Your complaint will be reviewed and sent to the appropriate department manager for a response.

✓ If you still feel that the problem has not been handled satisfactorily, please call or write to the State Corporation Commission. The address and phone number are available upon request.



Central Virginia Electric Cooperative is an equal opportunity and affirmative action employer which does not discriminate on the basis of race, national origin, religion, age, color, sex, disability or veteran's status, or any other characteristic protected by local, state or federal laws, rules or regulations.

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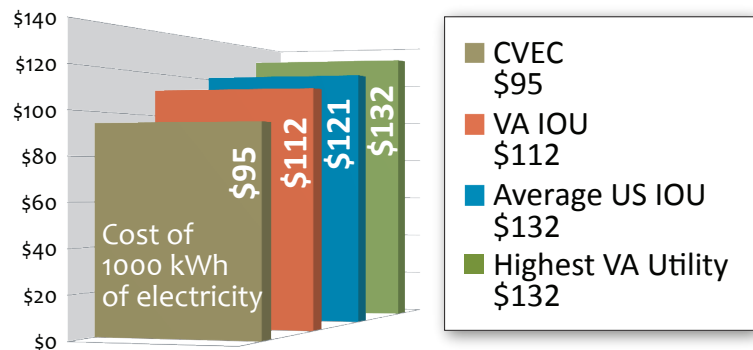


A Rate Case and a Value Comparison: Your Co-op, the best energy value

CVEC has filed an application with the State Corporation Commission for a modest rate increase of 5.12%, in order to improve our Co-op's financial ratios, which are an important consideration to those who are active in the wholesale energy market. CVEC has traditionally operated with thin margins to provide the best value to our members. The rate increase will be applied to the billing period that begins in the month of May and you will see the increase on the bill that is delivered to you in June.

Which raises the question of where we stand in relation to other utilities?

Lower density, more rugged terrain: CVEC has about 7.5 customers per line mile, compared to investor-owned utilities (IOU's) that average about



35 customers per line mile, and municipal (city-owned) utilities that approach 50 customers per line mile. In addition to greater distribution expense per customer, the CVEC service area tends to

have more trees along our lines and more rugged terrain compared to suburban and city systems.

Even with that challenge, CVEC provides an incredible value, delivering 1000 kilowatt-hours to members for around \$95, which is comparable to some of the Virginia municipal systems and well below Virginia's largest utility. National IOU's deliver the same 1000 kwh's for an average of \$121 and other Virginia utilities exceed \$130 for the same amount of energy.

For more information on the CVEC rate increase, visit www.mycvec.com.