

General Questions

What does it mean for me to be a member/owner?

As member/owners of a not-for-profit electric cooperative, transitioning ratepayers will have a say in the policies of the Cooperative and will share in Cooperative benefits, including capital credits.

What about rates? How will they change for me?

- Transition to SVEC electric service will be seamless for former Potomac Edison ratepayers. Our new member/owners should not even notice a blip in their electric service when the changeover occurs.
- New members' rates will not change from what they would have been under Potomac Edison until July 1, 2011. It is important to note that PE has applied for an adjustment in their wholesale power costs. If granted by the SCC, it will be passed along to our member/owners.
- From July 1, 2011 to at least July 1, 2014, only the changes in incremental cost of wholesale power and member usage will cause a members' bill to fluctuate.
- Billing and payment information as well as other administrative information about the changeover is being sent to transitioning ratepayers and is also available on SVEC's website, www.svec.coop.
- New SVEC member/owners will not see a base rate increase before July 1, 2014. Other than adjustments for the costs of wholesale power, this extends Potomac Edison's existing agreement to not raise rates an additional three years, providing protections for ratepayers transitioning to cooperative service.

What's being done to prevent large rate increases?

SVEC has committed to capping distribution rate increases for 2014, 2015 and 2016. This also ensures that potential for transitioning ratepayers to see "rate-shock" is minimized.

Transitioning Potomac Edison ratepayers, as well as current SVEC members, will benefit from a reduction in the purchase price of \$16.5 million. This enhances the acquisition benefit for both existing and new members of the Cooperative.

Potomac Edison is contributing \$27.5 million to reduce the impact of any rate increases between July 1, 2011 and July 1, 2015. This will also protect Potomac Edison ratepayers from sudden large rate increases.

As a new member/owner of the Cooperative, will I have a voice?

New SVEC member/owners will receive equitable representation on the Cooperative's board of directors. The necessary bylaw changes are in progress and, once completed, a procedure will be in place to select board members from the current Potomac Edison members transitioning to SVEC service.

What kind of support did the acquisition have?

All parties to the State Corporation Commission proceedings are in full support of this acquisition. The current agreement has the complete endorsement of the Cooperatives, Potomac Edison, the office of the Attorney General of Virginia, the County of Frederick, the City of Winchester, and now the State Corporation Commission.

What kind of service improvements can I expect as a new SVEC member/owner?

SVEC will make a series of improvements to the former Potomac Edison territory:

- Automated metering will be implemented over the next 24 months.
- Distribution infrastructure will be upgraded and modernized.
- Acceleration of the schedule for right-of-way maintenance.
- Repair and support service will continue to be no more than 70 miles from any customer served, ensuring faster response times.
- Current Potomac Edison customers that have their bill rendered bi-monthly will now have their bills rendered on a monthly basis.
- In the coming months, customer service centers will open in the acquired territory so that transitioning ratepayers can speak to someone face-to-face about their bill, their service or any other concern or question they may have about SVEC.
- Conservation programs will be extended to the new member/owners, including Demand Response and energy efficiency programs.

Where can member/owners find Terms & Conditions?

On the website, www.svec.coop, there is a section under “Acquisition” where Terms & Conditions, Bylaws, and New Member Packet information can be found. Also, new member/owners should receive a copy of Terms & Conditions before their first bill.

Are the Cooperatives experiencing an increased number of calls?

Yes. Presently, as expected, the call volume in our offices has increased. However, the staff of the Cooperative is working diligently to respond to the questions our members have and will continue to do so.

If I am a Rappahannock member/owner, how can I contact them?

The phone number to contact Rappahannock Cooperative is **800-552-3904**.

How will this acquisition affect our region?

The acquisition will create new jobs during an otherwise tough employment climate. SVEC will be hiring additional member service personnel, substation and metering crews, and right-of-way and utility contractors.

The acquisition will create new opportunities for local businesses and generate new revenue for the localities in SVEC’s territory. Many area businesses stand to benefit from additional sales of supplies, meals, lodging and fuel to contractors who will be making upgrades to the infrastructure being acquired from Potomac Edison. As SVEC makes system improvements, many localities will also see a tax revenue increase because of the increased value of equipment and other taxable items.

Businesses looking to grow and/or relocate often prefer Cooperative power service. Cooperative power is often a strong selling point for communities seeking to grow their job and economic base. SVEC has a history of working closely with localities on economic development efforts and will continue to do so, both in the existing territory as well as offering help in the transitioning area.

What are the addresses of the local offices?

Staunton Office 10 International Lane Staunton, VA 24401-4909	Dayton Office 2867 W. Mosby Road Harrisonburg, VA 22801	Mt. Jackson Office 763 Mt. Jackson Road Mt. Jackson, VA 22842-0424
Winchester Office 3463 Valley Pike Winchester, VA 22602	Luray Office 2 Mechanic Street Luray, VA 22835	Headquarters 147 Dinkel Avenue Mt. Crawford, VA 22841-0236

What are the phone numbers of the local offices?

Augusta County NTELOS calling area...941-0011
Augusta County Verizon calling area.....213-0022
Augusta County Shentel calling area.....515-0011
Rockingham County.....434-2200
Mt. Jackson.....477-1077
Winchester.....450-0111
Luray.....743-1100
Front Royal.....635-1110
Highland County.....468-0011
All other areas1-800-234-7832

■ **SVEC will honor** any contractual agreements, or payment agreements that were made between the consumer and AE pre-close.

Billing/Payment Questions

What are my payment options?

- 1. Sign Up for Eazy Pay**, a free service that deducts your bill payment from your bank account every month.
- 2. Pay with cash at any SVEC office.**
- 3. Mail your payment in the self-addressed envelope in your bill.**
- 4. Sign up for the Levelized Payment plan**, that makes budgeting a little easier by averaging payments to reduce seasonal bill changes.
- 5. Credit/Debit Card Payments:** Payments can be made by dialing your district office telephone number and following the menu options or online at www.svec.coop. SVEC utilizes a third-party payment processor who accepts Visa or MasterCard. A \$5.50 convenience fee is charged by the payment processor and the payment for electric service is forwarded to the Cooperative. These payments are posted to your account immediately.
- 6. Money Gram:** Payments accepted at any Wal-Mart, CVS, Farm Fresh, or Ace Hardware. Cost to the consumer is \$2.50 at Wal-Mart, \$2.95 everywhere else. Wal-Mart accepts cash and debit cards, all other locations accept cash only. You must present your SVEC account number and the receive code of 7118.

SVEC personnel can verify that payment was received within 10 minutes of the payment.

7. Western Union: Payment may be made in the form of cash, check, or money order. Cost to the consumer is \$1.50.

■ **Online Banking** – SVEC’s remittance address is:

Shenandoah Valley Electric Cooperative
PO Box 79647
Baltimore, MD 21279-0647

■ **Budget accounts** – if the consumer was on budget billing with AE, then their account will transfer to SVEC’s levelized plan, and will need to meet the same on time payment requirement to remain on the levelized plan.

■ **Bank draft accounts** - Bank draft information transferred over, and the letter detailing bill dates, late payment penalty dates, and bank draft dates will mail before their first bill. Allegheny will bank draft accounts for the last rendered bill.

Will deposits transfer from AE to SVEC?

Yes. The deposits that our members paid while receiving service from Potomac Edison will transfer to the Cooperatives. Providing that new members have fulfilled their obligations to the Cooperative (i.e. proper payment), then the monies will be returned.