

New Member/Owner Packet



Dear Valued Member:

Welcome to Shenandoah Valley Electric Cooperative (SVEC), a member-owned electric utility. As a member of the Cooperative you are receiving electric service from your own electric utility. Please feel free to call us at any time for any information you might need. We have district offices in Dayton, Mount Jackson, Staunton, Winchester and Luray. Our headquarters office is located in Mount Crawford.

As a member of the Cooperative you have certain rights and responsibilities. It is your right and responsibility to attend our Annual Membership Meeting, elect the Board of Directors, and act on any other business during the meeting. You will be sent notices pertaining to the date and time of these meetings.

The Members' and Cooperative's responsibilities are outlined in the enclosed booklet, "TERMS & CONDITIONS FOR PROVIDING ELECTRIC DISTRIBUTION SERVICE" and "BYLAWS." Please retain this booklet and refer to it regarding your particular circumstances involving meter readings, billing and collection procedures.

As a member/owner of the Cooperative you can also assist us by reporting any outages or problems with your electric service. Remember, we want you to have the best electric service possible.

Again, welcome to Shenandoah Valley Electric Cooperative.

Sincerely,

SHENANDOAH VALLEY
ELECTRIC COOPERATIVE

A handwritten signature in black ink that reads "Myron D. Rummel".

Myron D. Rummel
President & CEO

"We Exist to Serve Our Members"

www.svec.coop

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SVEC Board of Directors

2011-2012

AUGUSTA COUNTY

Joyce R. Craun, Mt. Solon
Larry C. Howdysshell, Vice Chairman, Mt. Solon

AUGUSTA/HIGHLAND COUNTIES

Charles H. Huffman, Secretary/Treasurer, Mt. Solon

FREDERICK/CLARKE COUNTIES

Richard C. Shickle, Winchester

PAGE COUNTY

Garland H. Gibbs, Luray

PAGE/WARREN/SHENANDOAH COUNTIES

James E. Zerkel, II, Mt. Jackson

ROCKINGHAM COUNTY

Stephen W. Burkholder, Chairman, Broadway
Larry E. Garber, Pleasant Valley
Gerald A. Heatwole, McGaheysville

SHENANDOAH/WARREN COUNTIES

Fred C. Garber, Mt. Jackson

CITY OF WINCHESTER

Robbie F. Marchant, Winchester

Your Local Phone Numbers

AUGUSTA COUNTY	Staunton Office	941-0011 Ntelos 515-0011 Shentel 213-0022 Verizon
ROCKINGHAM COUNTY	Dayton Office	434-2200
SHENANDOAH COUNTY	Mt. Jackson Office	477-1077
FREDERICK COUNTY	Winchester Office	450-0111
WARREN COUNTY		635-1110
PAGE COUNTY	Luray Office	743-1100
HIGHLAND COUNTY		468-0011
CITY OF WINCHESTER		450-0111
CORPORATE HEADQUARTERS	Mt. Crawford Office	434-2200
ALL OTHER AREAS		1-800-234-7832

Sample Electric Bill



1 Account Information

Customer Name(s):
COOPERATIVE MEMBER

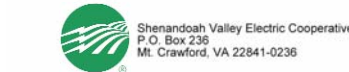
Service Address:
500 ELECTRIC LANE

Phone Number:
540-337-8372

Location Number: 9-999-99-999 Service District: Augusta

2 Consumption History

Billing Month	KWH Usage	Billing Month	KWH Usage
Apr 09	1840	Oct 09	1717
May 09	1740	Nov 09	1657
Jun 09	2593	Dec 09	2374
Jul 09	2276	Jan 10	2648
Aug 09	2587	Feb 10	2938
Sep 09	2285	Mar 10	1974



Check this box for address correction or message. Please print on reverse side.

7 COOPERATIVE MEMBER
P.O. BOX 236
MT. CRAWFORD VA 22841-0236

- 1** Your Account Information
- 2** Electricity Consumption History
Gives the last 12 months, plus the current month's usage.
- 3** Electricity Consumption Data
- 4** Messages from SVEC
Payment information and other relevant news is printed here.

Electric Service Bill

3 Contact SVEC for all purposes please call 515-0011 or 941-0011

Account Number	Statement Date
00000-001	04/30/10

Electricity Consumption Data

Meter Number	Current Reading	Reading Date	Previous Reading	Number of Days	Multiplier	KWH/KW Used
00000000	56488	04/21/10	54791	31	1	1697

4 Messages from SVEC

Thank you for your prompt payment.

Our records indicate the physical address associated with this account location is **500 ELECTRIC LANE**. If this is incorrect please contact your local SVEC office.

5 Electricity Service Charges

Total Previous Balance	207.67
Payments recvd since last billing date <i>Thank You!</i>	-207.67
Balance Forward	.00
Current Charges (Schedule A-10-VA Residential)	
Basic Consumer Charge	13.76
Variable Distribution Charge	35.58
SVEC Electricity Charges (Regulated) Subtotal	49.34
Power and Energy Charge	74.28
Fuel Adjustment (\$0.02165/KWH)	36.74
Rider OD-09 (\$0.00516/KWH)	8.76
SVEC Electricity Supply Charges Subtotal	119.78
Augusta Co Utility Tax	3.00
VA Consumption Tax	2.62
Sales & Use Surcharge	1.19
Total Current Charges	175.93

6 Total Amount Due **\$175.93**

Bill is due and payable upon receipt. To avoid a 1.5% Late Payment Charge, pay Total Amount Due by 05/20/10. Payments made at location other than SVEC offices may be delayed up to 5 days.

Please detach and return this portion with your payment to ensure proper credit. Keep top portion for your records.

Account Number	Location Number	Meter Number
00000-001	9-999-99-999	00000000
Late Pay Penalty Date	Total Amount Due	
05/20/10	\$175.93	

Amount Enclosed: \$ _____

Energy Assistance Contribution \$ _____

MAKE CHECK PAYABLE AND REMIT TO PROCESSING ADDRESS:

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

005822300100000175932

Key

- 5** Electricity Service Charges
- 6** Total Amount Due
- 7** Address Information
Please check this information periodically to make sure the address is correct.

How Electric Rates are Set

SVEC's rates are based on the cost of providing electric service to member/owners. These costs include the cost of operating and maintaining lines and equipment, taxes, interest expenses and wholesale power costs. SVEC's rates are approved and/or filed with the Virginia State Corporation Commission.

SVEC operates on a not-for-profit basis. Any revenues collected in excess of the actual cost of operation provide for members' ownership/equity in the electric cooperative.

Copies of these schedules are available upon request at each office of the Cooperative, and on our website at www.svec.coop.

Margins, Allocations, Capital Credits - What Do They All Mean?

Cooperatives, such as SVEC, are member-owned, and typically operate on a not-for-profit basis. Cooperatives use terms like margins, allocations, patronage refunds, capital credits and others. Knowing and understanding these terms is important to understanding how your cooperative works.

In today's business environment the primary concern is profits and losses. This is true for any type of business, even not-for-profit cooperatives. In place of the term "profit," cooperatives speak of margins. Margins, simply defined, are the monies remaining at the end of the fiscal year after all bills (operating expenses) have been accounted for. Margins belong to the member/owners of the co-op.

"How does SVEC determine who gets what?" Through allocation. In the spring, SVEC members receive allocation notices based on the margins earned in the previous year. The allocations are based on each members' patronage (how much they spent with the cooperative). A basic example of this process is as follows: In 2008, Hometown Cooperative has a total of three member/owners. Member A spent \$50 while Member B spent \$30 and Member C spent \$20. The total cost for operating Hometown Cooperative for that year was \$90. This results in margins of \$10, \$100 (revenue) minus \$90 (cost). The allocation factor then is \$10 (profit or margin) divided by \$100 (total monies received) = .10. Hometown Cooperative then issued allocation notices to its three member/owners based on their patronage. Therefore for Member A the allocation is \$5 ($\$50 \times .10$), for Member B \$3 ($\$30 \times .10$) and Member C \$2 ($\$20 \times .10$). The allocation notice is not a payment to the member.

When a cooperative makes an actual payment to its member/owners based on previous allocations it is called a patronage refund or capital credit retirement. SVEC uses the term capital credits when referring to monies allocated. SVEC handles two types of capital credits retirements (actual cash payment of capital credits): Estates and General.

Estate retirements are capital credits paid to the estate, or personal representative of an estate of a deceased member/owner who is a natural person. In order to claim estate capital credits, the personal representative of the estate must contact the Cooperative within one year of the member/owner's death. The estate retirements consist of payment of the remaining capital credit balance that has not been paid by the Cooperative.

General capital credit retirements are handled differently depending on the type of cooperative. At SVEC the board has set a goal of returning capital credits on a fifteen (15) year rotation. This means allocations would be returned through a general retirement fifteen years after they were made. Some cooperatives, like Southern States, return a portion of their margins in the year they were earned.

In the electric cooperative business capital credits are returned on a rotation, such as fifteen years, due to financial constraints put in place by lenders. SVEC borrows a portion of its capital needs from the Rural Utilities Service (RUS), the Cooperative Finance Corporation (CFC), and CoBank. Each sets guidelines which determines when and how much a cooperative may return in capital credits.

Margins are retained as equity capital by the electric cooperative. The electric utility industry is capital intensive and the cooperative must borrow large sums of money. To reduce the amount of dollars borrowed and interest costs the electric cooperative uses these retained earnings to help meet its capital needs.

Programs of the Cooperative

For more information about SVEC's programs and services, please contact your local SVEC office or e-mail us at info@svec.coop

SVEC ONLINE

SVEC Online allows member/owners to use the internet to view their account history, estimate energy bills and to pay online using a credit card. To sign-up for SVEC Online go to www.svec.coop and click on "Your Account."

EASY PAY

This payment option allows the amount of your electric bill to be automatically deducted from your bank account. This optional, secure, safe and FREE service means you no longer need to write a check, go to a payment center, use a stamp, or worry about late payment. There are three Eazy Steps to become enrolled:

- 1/ Fill out the authorization form and return it to SVEC along with a voided check (checking account) or deposit slip (savings account) showing the bank and checking or savings account from which you want your payment deducted.
- 2/ Upon receipt of the authorization form, SVEC will implement the direct debit of your bank account. You will continue to receive a monthly bill from SVEC as usual.
- 3/ On this bill you will see a new statement to the effect that, "Your bank account will be debited for \$ (total amount due) on (date)."

What will I be charged for this service? ABSOLUTELY NOTHING! Eazy Pay is offered as a convenience, free of charge, to our members who wish to save check and postage costs. In addition, they enjoy the ease and comfort of knowing their electric bill is paid on time each month, in a secure manner. Even with SVEC Eazy Pay, no one has access to your bank account except you and your bank.

Can I cancel Eazy Pay at anytime? You would need to notify SVEC five (5) days prior to the bank draft date. Remember that the payment will have to be made by another payment method.

LEVELIZED PAYMENT PLAN

Each month, SVEC will average your actual billing for the current month with the previous 11 months. Your bill will vary slightly from month to month, but this "rolling average" evens out extreme highs and lows. The bill will show your kilowatt-hour consumption and the levelized bill amount that is due. It must be paid just the same as a regular bill, on or before the late payment date.

HOME ENERGY SURVEY

The Cooperative provides free home energy surveys to its residential members. The purpose of the survey is to help members understand how they consume electricity and how to get the most for their energy dollar.

SURGE SUPPRESSION

SVEC offers the TESCO surge protection system, which helps to protect your motor-driven or resistance-heated electrical equipment. An electrical surge is a very brief period of high voltage, and is the most damaging of power disturbances. Surges may be caused by several things, such as lightning strikes, storms, falling tree limbs, and auto accidents.

The TESCO Surge Protection System offers protection for items such as a: washer, dryer, refrigerator, freezer, range/stove, dishwasher, trash compactor, sink disposal, central vacuum, security system, garage door opener, ceiling fan, room air conditioner, electric hot water heating, HVAC, water softeners, TVs, computers, and other electronic equipment. The cost is \$4.95 per month with a one-time \$30 installation fee. The monthly service charge will be added to your electric service bill. The meter-based device remains the property of SVEC. This service is accompanied by the manufacturer's down line repair or replacement warranty. For more information and warranty restrictions, check our website at www.svec.coop, stop by your local district office, or call SVEC. Refer to page 3 for contact information.

If The Power Goes Off

The following information will help you and your family cope with an outage if one should occur. Your SVEC Account Number is very important — the Cooperative uses that number to locate your account on our system.

IN THE EVENT OF A POWER OUTAGE PLEASE CALL

1-800-234-SVEC (7832)

KEEP A POWER OUTAGE KIT ON HAND

■ MATCHES ■ CANDLES ■ SPARE FUSES

■ FLASHLIGHT WITH FRESH BATTERIES

■ PORTABLE RADIO WITH FRESH BATTERIES

■ YOUR SVEC ACCOUNT NUMBER AND SVEC TELEPHONE NUMBERS

CHECKLIST OF THINGS TO DO IF AN OUTAGE OCCURS:

- _____ 1. Check fuses or breakers in your electrical panel box.
- _____ 2. Check to see if your neighbors' lights are off. Even if your neighbors' lights are on, don't hesitate to call SVEC.
- _____ 3. If fuses or breakers are OK, call SVEC. Give your name, *SVEC account number*, telephone number and the approximate time the outage occurred.
- _____ 4. Turn off all electric appliances that were on when the outage occurred, especially air conditioners, heat pumps or other large electric appliances. Leave a light on so you will know when your power has been restored.
- _____ 5. Listen for messages from the Cooperative. This will occur only when there has been a major storm or other major unplanned outage.
- _____ 6. **STAY AWAY FROM DOWNED POWER LINES** and broken utility poles. Note the location of the downed line or pole and call SVEC immediately. Even lines that look harmless can be dangerous.
- _____ 7. If your power is still out once your neighbors' homes have been returned to service, don't hesitate to call the Cooperative again.
- _____ 8. If any member of your family is on a life-support system, please notify SVEC today so their name, *SVEC account number* and telephone number can be placed on a priority service list.

Service Restoration Priorities



1. **Transmission lines** — These are high voltage lines that move bulk electricity from a generating plant to a substation or between substations.
2. **Substations** — Substations are electrical facilities that contain equipment for switching or regulating the voltage of electricity.
3. **Main distribution lines** — These are the 7,200-volt lines that you see along the roadways.
4. **Tap lines** — Tap lines are electric feeder lines with limited capacity that run from a main distribution line to a few consumers.
5. **Individual service** — This is the line that runs from the transformer to your meter.

Our electric distribution system is constructed with protective devices such as fuses and circuit breakers. These confine the outage to specific areas, limiting the number of consumers affected by the power interruption. For example, if a tree falls on a tap line only that line would be without service. Other consumers serviced from the main distribution line would still have service, although their lights may blink momentarily.

Power Restoration Questions

Why would an SVEC service crew pass by without restoring the power at my house? If you see an SVEC service crew passing by, it is because work must first be done at a nearby location before electric service can be restored to you and your neighbors. Following the outage restoration process ensures all consumers have their power restored as quickly and as safely as possible.

Why does my neighbor have power and I do not? It depends on the cause of the outage. Remember to check and make sure your power is not out because of an electrical problem inside your home, such as a tripped breaker. If your neighbor has electricity and you do not, more than likely, they receive their electricity from a different power line or are located on a different circuit than the circuit your home is on.

Why can't you tell me how long it will take to restore my power? Each outage is a result of different circumstances, and some may take longer to identify and restore than others. As a result, during storm-related outages, restoration information may not be immediately available.

What should I do if a power line falls in my yard? Consider all fallen wires to be energized, regardless of whether or not they appear to be safe. Report the fallen power line to your Cooperative immediately. Make sure your children, pets, and neighbors stay away from the power line and any objects it may be touching.

Fees & Charges

SVEC's service fees are based on the Cooperative's costs and are charged so members not requiring these special services won't have to share in the expenses. These fees and charges are listed in Schedule F of the Cooperative's Terms and Conditions for Supplying Electric Service.

Type of Fee or Service Charge

Membership Fee

Initial Service Connection (refundable)	\$5.00
Service Connection Fee (nonrefundable)	15.00
Temporary Connection Fee	80.00
Reconnection Fee to Existing Members (Must be Paid in the Cooperative's Office During Normal Working Hours)	
1. During Working Hours, per Trip per Account	40.00**
2. After Working Hours, if All Requirements Met by Member before 4:30 p.m.	65.00
Collection of Delinquent Accounts	40.00
Returned Check Processing Fee	30.00
Trouble Call - Outage on Member's Equipment	40.00
Meter Testing Deposit	
Single-phase meters	40.00
Polyphase	60.00

**The above reconnect charge will not apply if reconnection is made using the remote service switch and no service visit is required.

For additional descriptions, please see Schedule F - Fees of the Terms and Conditions included in this packet.

This list does not include all of SVEC's fees and charges. There are other charges and fees not listed which may be applicable in special or unique situations.

Life Support Registry

SVEC needs to know if someone in your home depends on life-support equipment. The term "life-support system" refers to a kidney dialysis machine, mechanical ventilation device or other medical device. The use of such a system is prescribed by a licensed physician and upon the request of the patient, is certified by the physician in writing to SVEC as necessary to sustain critical body functions and without which, a person is in imminent risk of death.

This information is needed for two reasons. First, it is important to know where this equipment is located in the event of an emergency power outage. Knowing you have this equipment will alert the Co-op to contact you in the event of an unexpected outage. Second, at certain times our construction crews need to interrupt service for repairs or new construction. If we know in advance that you have life-support equipment in operation, we can contact you about planned outages. It is the goal of the Cooperative to provide you with the highest quality service possible, but due to uncontrollable events we cannot guarantee you electric service 100 percent of the time.

We recommend that any member with life-sustaining equipment look into buying a small generator capable of operating this important equipment.

Do not wait until a power outage to let us know you have life-supporting equipment in operation in your home. Even if you have contacted the Cooperative in the past about the equipment in your home, please visit the website to fill out another form. Mail the completed form, with your physician certification, to: SVEC, P.O. Box 236, Mt. Crawford, VA 22841.

Electrical Safety Tips

- *Never* touch, kick, pull or attempt to pick up a fallen wire. Notify SVEC immediately and keep other people away from the downed line.
- *Call Before You Dig.* To prevent unplanned power outages, possible injury, expensive repair bills and/or equipment damage call "Miss Utility" before you do any digging. For Augusta, Rockingham, Shenandoah, Frederick, Warren, Page, Highland, and Clarke counties, that number is 811.
- Water conducts electricity. Do not touch an electrical switch while your hands are damp. When taking a bath or shower, do not handle electrical cords or appliances.
- Check all extension cords and appliance cords frequently to be sure they are not worn or frayed. If they are, replace them immediately. Don't patch a broken cord.
- Be sure tools and appliances are properly grounded. A three-prong plug used in a two-wire receptacle must have an adapter.
- When working outside, avoid contact with overhead power lines or exposed wires.

For more Electrical Safety Tips, visit our website, www.svec.coop

Member Complaint Procedure

SVEC has six offices to provide closer contact with its members and faster service for emergencies. Each district office follows the same procedure for handling member requests for service, inquiries, and complaints.

Member requests for service, inquiries, and complaints may be made by contacting our Consumer Service Representatives at the numbers listed on page 3 between 8:00 a.m. and 4:30 p.m. Monday through Friday. For outages and emergencies during nights, Saturdays, Sundays, and holidays call the numbers listed on page 3.

Legitimate member complaints will be recorded, addressed, and resolved in the appropriate manner.

If the member is not satisfied, they will be advised that they may contact the Virginia State Corporation Commission via telephone at 1-800-552-7945 for Virginia members. A record of these complaints will be maintained by the Cooperative for at least 60 days and will be available for audit by the State Corporation Commission.

Applications for service will be recorded and at that time the member will be informed of the requirements of the Cooperative, the local government, and preparations that he must complete before service can be provided. The member will be given a packet of Cooperative information containing the Bylaws, rate schedules, Terms and Conditions, and other information. When these requirements are complete, the member will be given an estimated date for service.

All members will be notified annually of these procedures through publication in the *Cooperative Living* magazine. If any significant changes are made in these procedures, the State Corporation Commission will be notified.

Statement of Non-Discrimination

SHENANDOAH VALLEY ELECTRIC COOPERATIVE is the recipient of Federal financial assistance from the U. S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, contact Vivian Michael, Manager of Corporate Services & HR at SVEC, by calling (540) 574-7248, or write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D. C. 20250-9410, or call toll free (800) 795-3272 (voice) or (202) 720-6382 within a period of up to 180 days of the occurrence. USDA is an equal opportunity provider and employer.

Equal Employment Policy

In order for Shenandoah Valley Electric Cooperative to abide by its Affirmative Action Statement, the Cooperative publishes the following Equal Employment Policy. This is not a solicitation of applicants for employment.

All applicants for employment shall be considered and hired on the basis of merit, without regard to race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or veteran’s status. The employment practices shall ensure equal treatment of all employees, without discrimination in rates of pay or other opportunities for advancement because of an employee’s race, color, age, religion, sex, national origin, disability, marital status or veteran’s status and where applicable, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual’s income is derived from any public assistance program (not all prohibited bases apply to all programs). Shenandoah Valley Electric Cooperative is an equal opportunity employer. To file a complaint of discrimination or unfair work practices, contact Vivian Michael, Manager of Corporate Services & HR at SVEC, by calling (540) 574-7248.

