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MEMBER NEWSLETTER OF CENTRAL VIRGINIA ELECTRIC COOPERATIVE

"Improving the quality of your life in a quietly impressive way." Winter 2015 Volume 24, Number 1

SAFE, FAIR, & LEGAL



CVEC purchases more than \$54 million in wholesale energy annually. Of that, we lose about 6-7 percent of the energy on the distribution lines between CVEC substations and the members' meters. National utility data tells us that 3-4 percent of that is attributable to "line loss" where energy dissipates due to heating or inefficiencies along the 4500 miles of distribution line.

That leaves a possible 2-3 percent of the \$54 million of wholesale energy purchased annually being lost due to current diversion, where members have found a way to bypass or to defeat the meter on their home or business. While CVEC is constantly working to reduce the amount of line loss, the Co-op is activating an enhanced Loss Prevention Program to reduce the amount of energy that is lost due to theft. The program will help CVEC identify the location on the distribution system where a member has bypassed the meter to avoid paying for energy.

There are three important reasons to reduce current diversion.

Current diversion involves tapping into the CVEC service lines and bypassing the meter. This act is dangerous and potentially fatal. It jeopardizes the safety of the misguided member during the diversion effort and puts others at risk who may happen upon the bypass wiring at a later date.

The theft of 2. electricity is unfair to other members. CVEC was formed to allow rural citizens to purchase wholesale energy and have it delivered where no forprofit utility wished to serve. The premise of the Cooperative is that all members pay their fair share, and current diversion shifts costs to other members.

It is illegal. When CVEC discovers the theft of electricity, the member is responsible for the costs, penalties, and the energy usage as determined by the Co-op. In addition, it is a chargeable offense and CVEC will work with law enforcement personnel to investigate whenever current diversion is discovered.

While this is a difficult subject, CVEC is committed to reducing energy theft as a matter of safety and fairness between members. Your Co-op thanks you in advance for your assistance in reducing the cost of energy for all members. •



... CVEC spent \$54 million ... to purchase 735 million kWh ... for 35,000 members.

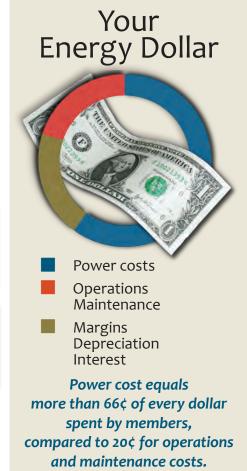
Traditionally, CVEC has purchased energy under contract from one generation company, delivered to CVEC on Dominion and APCO transmission lines. With changes in the wholesale free market, the cost of energy has risen steadily, but CVEC was protected under a ten year contract.

In June of 2012, a very favorable, long-term contract expired and CVEC began paying wholesale power prices that caused our rates to rise to about the state average in Virginia.

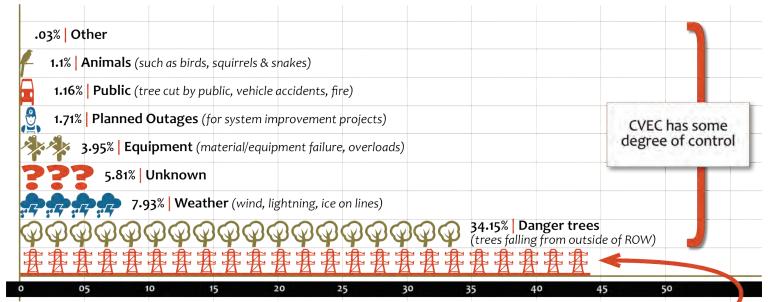
Starting in June of 2015, CVEC will convert our wholesale supply from an all-requirements contract with a single supplier to a portfolio of sources, causing no increase in members' rates.



As a member-owned, not-for-profit utility, your Cooperative works every day to provide the most reliable and affordable electric service that is available. As we contend with market changes and fluctuating costs, be assured that your best interest as a member is our guiding purpose. ?



WHAT WERE THE CAUSES OF CVEC OUTAGES IN 2014?



* Data does not include outages caused by major weather events

44.16% | Wholesale Power Supply (power dropped to CVEC grid) ...

CVEC is dependent on transmission providers.

Start Saving this Winter!

As national temperatures continue to drop, the demand to heat our homes and offices increases significantly. Save money this winter by taking action to save energy.

- 1) Door Seals: Cold air can enter into the house through open cracks and gaps from doors, windows, and floors. Simple weather stripping and foam seals will reduce cold drafts and keep your home warmer.
- 2) Seal baseboards and caulk windows: Feel your hand around the bottom of your baseboards to detect where cold air might be getting into the living space.
- 3) Wrap the water heater and ducts and change the filters: Making your HVAC perform at maximum efficiency will save on the bottom line. Check for leaks in the ducts. Leaks in the duct work can increase costs by up to 30% and reduce comfort. Also, a new air filter helps the air flow and increases comfort.
- 4) Add a door sweep to rooms that you use less frequently: Significant air flow can occur through the space between the bottom of the door and the floor. Fill this area with a threshold sweep from your local hardware store.
- 5) Replace your old thermostat: Programmable and Smart thermostats can reduce heating costs by monitoring your system to run only when you need it.

Visit Touchstone Energy for this and other great energy savings information. Touchstone Energy is brought to you by CVEC and other member-owned electric cooperatives from across the U.S.





Have Lunch with Gary Wood, CVEC President and CEO

Where does your electricity come from and what determines the cost? What causes outages and what is CVEC doing to prevent them and to reduce the duration? These are a few of the topics that **President and CEO** Gary Wood will cover in a Town Hall Video Lunch Meeting. "Keeping our members informed has always been a top priority and today's technology allows us to have a convenient, two-way conversation," said Wood. "Obtaining and delivering the most affordable power is something that we work on every day. We have set some very ambitious goals that will benefit our members and I am eager to share details."

In addition to power supply and service reliability, Gary plans to cover new service options and communication choices that are now available for members, including a mobile app that will proactively notify members when CVEC detects an outage at the member's home or business.

Bring your sandwich and visit mycvec.com on Wed., March 4, 12 noon, to join the video conference. Gary will have a short presentation and then he will take questions by e-mail from those in attendance.

See you then!



CVEC has a new Mobile App!

You can download the MyCVEC app from the Google & Apple stores.

- » View & manage your account
- » Report an outage
- » Receive outage alerts & updates
- » View outage status at your home or work





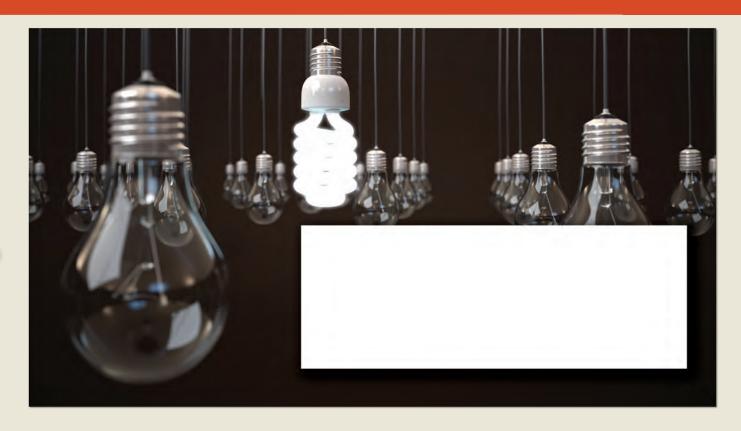


CVEC Contract crews will be clearing rights of way in the following areas:

- Trevillians
- Afton
- Greenfield
- Batesville
- Mt. Rush
- Andersonville

Visit the all new **mycvec.com**





NO MORE WINTER BILL SURPRISES!

Energy consumption is largely driven by the cost of heating and cooling. One never knows how much it will cost to heat a home during the coldest winter months ... until the bill arrives. CVEC now offers a new payment option similar to a prepaid cell phone. Pay as you go. Make smaller payments and monitor your energy consumption to avoid a big surprise.

Visit **mycvec.com** for details. Then call **800-367-2832, Option 0**, to sign up. **AND** if you paid one, you'll get your security deposit refunded in the process!

Remember, CVEC wants to help you manage your energy. Ask about our efficiency and conservation publications that can help you reduce your usage by 10-20%. You'll also find great resources on our website.

No surprises. Lower usage. Peace of mind.

www.mycvec.com

STATEMENT OF NON-DISCRIMINATION:

Central Virginia Electric Cooperative is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Form, found online at http://www. ascr.usda.gov/complaint_ filing cust.html or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S. W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.