



# CURRENT COMMUNICATOR

www.mycvec.com

MEMBER NEWSLETTER OF CENTRAL VIRGINIA ELECTRIC COOPERATIVE

"Improving the quality of your life in a quietly impressive way."  
Annual Report 2011

Volume 20, Number 2

## 74TH ANNUAL MEETING

June 22, 2011

Nelson County High School

## AGENDA

7:00 PM

Registration & Refreshments

7:30 PM

Call to Order  
Invocation

Pledge of Allegiance  
Welcome Address  
President's Address  
Treasurer's Report  
Election of Directors  
Comments/Questions

Adjournment

Prize pick-up in lobby

**CVEC Board Approves Almost \$1 Million Refund**

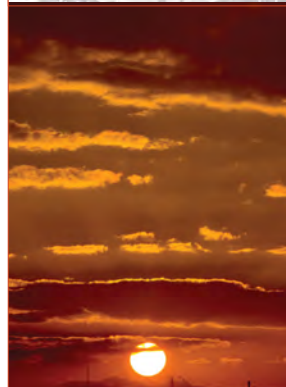
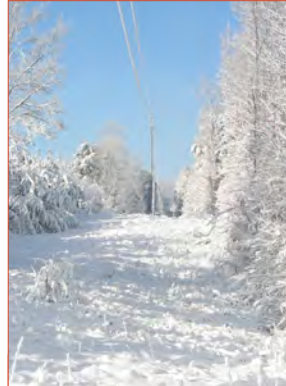
See page 4

## THE STATE OF YOUR COOPERATIVE

For Central Virginia Electric Cooperative, 2010 was an eventful year. CVEC dealt successfully with weather challenges, developed new programs for its members, and sought out power supply solutions for the future.

In February of 2010, more than two feet of snow fell across the Cooperative service area, creating widespread power outages which affected more than 10,000 CVEC members. Our crews worked tirelessly and, along with some help from several cooperatives from other states, service was restored to every account within six days.

Later in the year, CVEC members saw higher bills due to temperatures soaring in June and July, with cooling degree days 35% higher than normal for those two months. As the year closed, December again brought extreme temperatures, and bills rose again as members ran their heating systems to deal with heating degree days that were also 35% above normal ([www.degreedays.net](http://www.degreedays.net)). After years of upgrading and improving our system to prepare for extreme loading, your Cooperative was able to withstand the extreme temperatures without overloading any circuits.



In June of 2010, CVEC issued capital credit refunds for the first time since 2003. We are issuing those refunds again in 2011 and we intend to make that an annual event. The return of capital credits is unique to cooperatives as we return to you a portion of the contribution you have made to help us finance the Cooperative's lines and stations.

In December, we performed a member survey. This year, the survey was based on questions that allowed CVEC to be scored on the American Consumer Satisfaction Index (ACSI). The ACSI measure is used by many companies in various industries nationwide. In the December survey, based on responses from our members CVEC scored an 84, which is an excellent score. This score is above average for electric cooperatives, and well ahead of Dominion (76) and American Electric Power (73). CVEC also beat out Best Buy (77) and UPS (82) and scored just below Apple (86). The survey results validate that our efforts to meet members' needs are working, and we appreciate the support we get from our members.

Another major topic in the CVEC office throughout the year was power supply. CVEC is committed

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Continued from cover page

to developing a diverse mix of contracts and assets that do not depend on a single company or fuel to meet the future needs of our members.

During the year, CVEC staff, along with a team of consultants, reviewed opportunities to invest in biomass projects, landfill methane projects, hydroelectric and natural gas projects. We reviewed contracts that would deliver power from nuclear plants, wind farms, solar projects, and from the wholesale market mix of resources. The Cooperative searched far and wide to find the best solutions and the best fit for the members of CVEC.

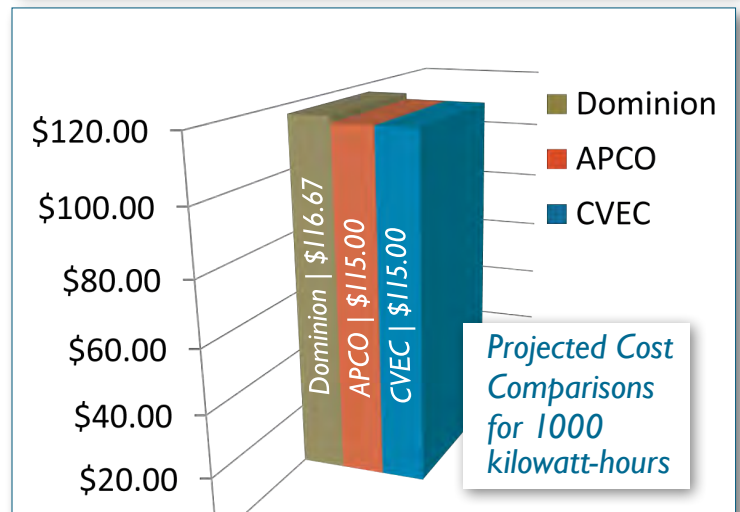
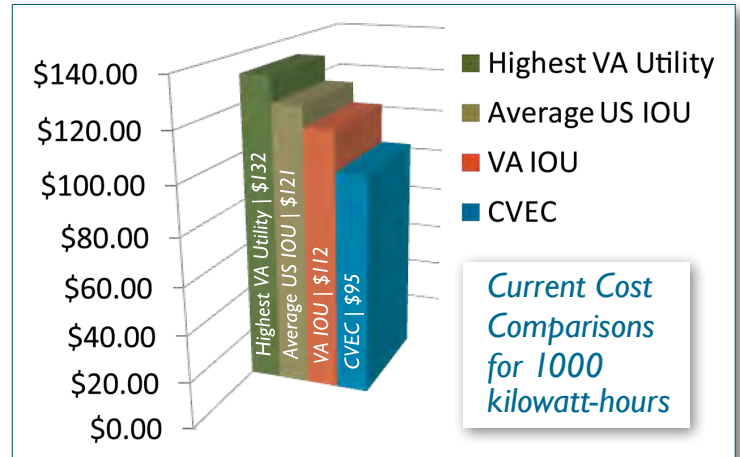
One of the most promising projects was a large hydroelectric development in Ohio. CVEC was invited into the project as a partner with American Municipal Power (AMP). We announced our intention to take a portion of the output from the projects and went through all of the steps to secure an \$85 million loan from the Rural Utilities Service and receive Virginia State Corporation Commission approval. Ultimately, at the time of the final contract consideration, the project became too expensive for CVEC compared to other market options for the first fifteen years of the plant operation. Due to increasing construction costs, the additional transmission costs to move the electricity from Ohio into central Virginia, and lower prices in the wholesale market through 2025, the Cooperative chose to step away from the project. We went into the project planning knowing we would pay a premium for a renewable resource with no future fuel costs, but the premium became too large to justify in the end.

We did sign a ten-year contract with Exelon to serve about ten percent of our needs for a ten-year period starting in 2012. We anticipate signing several more similar contracts this year that will begin delivery in 2015. We have purchased the small Harris Bridge Hydro plant at Schuyler, and this year we will perform some upgrades to maximize the benefits of that plant.

We are continuing to pursue the possibility of participation in a large solar project with AMP. We are still considering partnerships and contracts for several plants, including two natural gas facilities. We are also continuing to talk to a number of power suppliers about long term commitments to taking output from a plant or mix of plants.

Finally, we are very close to signing an all-requirements contract for the three-year period of June 2012 through June 2015. We anticipate that this contract will be signed before the Annual Meeting this year, giving us assurance of our cost of electricity for the next three years.

The good news about this contract is that the prices are significantly lower than they would have been two years ago; the bad news is that there will still be a one-time large increase in rates in June 2012, adding an average of \$20 to \$25 monthly to residential bills. While this is a large increase, the resulting bills will be in a range similar to other neighboring utilities. CVEC members have had the good fortune of paying significantly less than their neighbors for most of the last ten years, but in 2012 the cost of electricity will make us pay rates more in line with the industry average.



Finally, in 2010, CVEC began planning programs to provide more energy efficiency and conservation information to our members. You will hear a lot about this over the next year as we try to help members make wise decisions about electric usage. The best way to keep your bill low next year is simply not to buy as much, and as your not-for-profit Cooperative, we want to help you use only what you need. 📍

Gary Wood  
 CVEC President & CEO

## COUNTDOWN TO 75

### A Major Milestone

Next year our Cooperative will celebrate 75 years of service to our members. While most of us have not been around that long, there are a few Co-op members who remember the day that CVEC “cut on the lights” at their home for the first time. It was a big day. Life was about to change, slowly at first, but dramatically over time.

As we count down to our 75th Anniversary, let’s open up the archives and share our story. Many Co-op members know the story well. To others, who are not familiar with the cooperative business model, you might be surprised to discover that electricity might not be here today without the early efforts of a few hundred farmers and business owners.

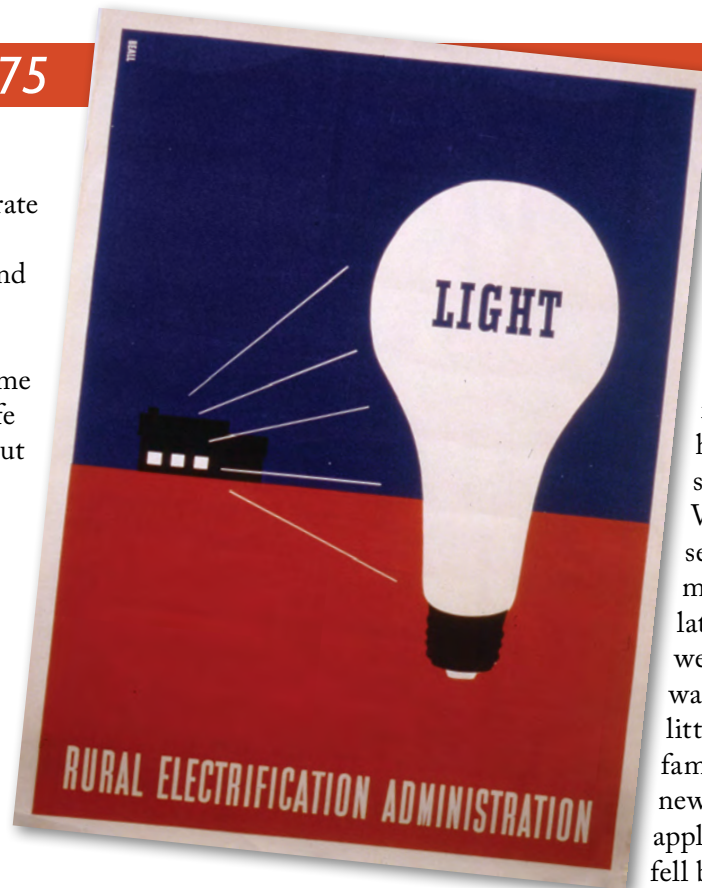
### What Was It Really Like

75 years ago, only one out of ten Virginia families had electricity. In rural areas, if you had electric service it was either because you owned a Delco generator, lived near a water mill, or you were located in an area served by one of the for-profit electric companies who were attracted to the large electric loads found in the population-dense county seat, at mining operations, or in fruit and vegetable cold storage facilities along the railroad tracks.

That meant that rural families in Virginia led a much different existence than their city cousins. In many ways it was like camping with a roof over your head. Heating and cooking was done by fire. Light came from sunshine and oil lamps. Animals and hand tools helped with the work. Food was cooled in a spring house. People hauled water to the home for cooking and drinking and they traveled to the outhouse when necessary. A Saturday night bath was shared by the family, one-by-one, until the baby was clean and bathwater thrown out. Laundry was a two-day affair with boiling water and six-pound irons, adding misery to the August heat.

### Long Miles and Low Density

Like high speed Internet today, there was a disparity of available electric service in 1936. City dwellers had it and rural residents mostly did without. When rural families asked for service from the large electric companies in the 1920’s and 30’s, they were told that it would be too expensive to build lines to serve so few people, with estimates of \$2000 per



line mile and only 4-5 customers along the way. (Co-ops later installed lines for \$1000 per mile.)

Not only was there an “electric service divide” between urban and rural residents but that gulf had been endured for some time. Richmond, Virginia, received electric service beginning in the mid 1880’s. Fifty years later, their country cousins were still waiting for service, waiting patiently but with little reason for hope. Urban families moved forward with new amenities and time-saving appliances. Rural residents fell behind.

### The Depression, the New Deal and the Big Leap

Then opportunity arrived. The Rural Electrification Administration (REA) offered low interest loans to for-profit utilities if they would extend their lines to rural areas. When the for-profits declined the offer, the REA offered the same loan packages to farmers and families if they would create their own electric companies, using the cooperative business model. 400 people came together in Lovingston, Virginia, in 1937 to do just that. Each paid \$5.00 to establish a membership and their \$2,000 secured a \$100,000 REA loan to build the first electric lines.

Had it not been for the New Deal programs and the determination of the first Cooperative members, rural electrification might have been further delayed. It likely would still be unavailable in some areas to this day due to the economics of serving rural areas. Consider this. Electric cooperatives serve more than 75% of the land area in the continental U.S., while only serving 12% of the population. Today we often take electric service for granted unless we are temporarily inconvenienced due to a storm or falling tree. In reality, we are fortunate that those early members seized the opportunity to create their own electric Co-op, guaranteeing a better life for their own families then as well as our families today. 📍

Celebrate 75 and share your Co-op stories with us at:

[www.facebook.com/mycvec](http://www.facebook.com/mycvec)

## CAPITAL CREDITS: One of the Member Benefits

CVEC operates under the cooperative business model, member-owned, not-for-profit, and governed by a board of directors elected by the members to represent our interest. As such, distribution lines are constructed and maintained at actual costs. Energy is purchased in bulk and delivered to members without a price markup that is typical of for-profit utilities.

At the end of the year, if there is money remaining after all of the bills are paid, each member is allocated a share of the remaining money based upon their energy usage. The allocated share is known as a capital credit and these are reinvested in the physical plant for a period of time before being returned to the members. The total amount of capital credits invested in the physical plant is comparable to the equity that many of us have in our home. CVEC's equity level is about 28% of the total plant value with the remaining 72% having been paid with long-term loans.

On occasion, the Board of Directors will vote to return capital credits to CVEC members, both past and present. CVEC has operated with razor-thin margins, which have kept capital credits low and capital credits refunds infrequent. CVEC has

operated like the individual who pays lower taxes throughout the year but does not get much of a refund come tax time.

The CVEC Board of Directors has decided that it would be prudent to increase the Cooperative's equity level, in large part to respond to changes in the wholesale energy market, where financial ratios can affect the terms of an energy contract. This is important since energy is the largest single component of your energy dollar, typically 55-60%.

While CVEC adjusted our rates slightly, beginning this month to increase our equity levels and other financial ratios, the byproduct of that adjustment is that each CVEC member should begin to look for a capital credit refund on an annual basis if all goes well throughout the year and no extraordinary expenses are encountered. Look on your electric bill for a line item credit if your refund is less than \$25 and look for a check in the mail if your refund is larger.

Service and energy delivered to you at cost and capital credits refunded to you the CVEC member-owner. ♡

### Excerpt from CVEC Bylaws Related to Unclaimed Capital Credits.

**SECTION 7.4 - Donated Capital.** Notwithstanding any other provision of the Bylaws or provisions of the membership certificate, if any Patron or former Patron fails to claim any cash retirement of Capital Credits or other payment from the Cooperative within one year after payment of the same has been made available to the Patron or former Patron by notice or check mailed to the Patron or former Patron at the last address furnished by the Patron or former Patron to the Cooperative, such failure shall be and constitutes an assignment and gift by such Patron or former Patron of such Capital Credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this Section shall include the failure of such Patron or former Patron to cash any check mailed to the Patron or former Patron by the Cooperative at the last address furnished by the Patron or former Patron to the Cooperative. The assignment and gift provided for under this Section shall become effective only upon the expiration of one year from the date when such payment was made available to such Patron or former Patron without claim therefore and only after further expiration of one hundred twenty days following the giving of a notice by publication that unless such payment is claimed within said one hundred twenty day period, such gift to the Cooperative shall become effective. The notice herein provided shall be published in the Cooperative's consumer newsletter and a publication of general circulation. The one hundred twenty day period following the giving of such notice shall be deemed to terminate one hundred twenty days following the last date of publication thereof.

Notwithstanding the provisions of the foregoing paragraph, any Patron or former Patron may at any time revoke an assignment or gift of Capital Credits to the Cooperative by appearing at the main office of the Cooperative in Nelson County, Virginia, and furnishing proof of identity entitling the Patron or former Patron to the Capital Credits.

### List of Unclaimed Credits

In 2010, CVEC issued capital credit refunds to members who had service with us in 1983 and issued a 20% capital credit refund to members who had service with the Co-op in 2009. Current members received their refund as a check or a credit on their bill. Checks for former members were mailed to their last address known to CVEC. The post office returned a number of those checks as undeliverable. Following is a list of members who have not claimed their refunds.

Anyone listed should contact the Co-op in writing for verification.

#### Please Provide:

- When the service was disconnected
- The last address while a CVEC member
- Current address and phone number
- A signature

If you know any of these people, please ask them to write us regarding their unclaimed refund. Thanks!

**NOTE:** CVEC will publish this notice in general circulation newspapers in early June 2011. ♡













- |                           |                           |                       |
|---------------------------|---------------------------|-----------------------|
| West, Mrs. Thelma         | Wilson, Ronald G.         | Young, Curtis S.      |
| West, W. L.               | Wilson, Samuel            | Young, Florence       |
| Westbury, Robert W.       | Wilson, Sherrard H.       | Young, Mark           |
| Westmoreland, Anne H.     | Wine, F. K.               | Young, Roland H.      |
| Whatley, Verda M.         | Winebrenner, John T.      | Young, Thelma Hood    |
| Wheat, Wiley H.           | Winebrenner, John T.      | Young, William B.     |
| Wheatley, R. W.           | Winfield Jr., Kenneth B.  | Younger, John Randall |
| Wheeler, Clarence H.      | Winfrey, M. B.            | Yursik Jr., Warren C. |
| Wheeler, David W.         | Wingfield, Lawrence D.    | Zell, Stanley O.      |
| Wheeler, Jock             | Wingfield, Michael L.     | Zendt, Ivan F.        |
| Wheeler, Mary Kathryn     | Wingo, Thomas H.          | Zevnik, Paul A.       |
| Wheeler, Mrs. Herman      | Winn, C. S.               | Zickerfoose, Ira L.   |
| Wheeler, Ralph            | Winston, David S. or Lois | Zimmerman Jr., H. W.  |
| White Jr., Franklin       | Winston, Helen K.         | Zimmerman, Edward     |
| White, Albert M.          | Winston, Napoleon B.      |                       |
| White, Ann R.             | Winston, Robert C.        |                       |
| White, Chester            | Winter, Donald H.         |                       |
| White, Dennis L.          | Wintergreen               |                       |
| White, Elwood             | Convenience Store         |                       |
| White, Frances            | Wintergreen Real Estate   |                       |
| White, Frances M.         | Withers, David I.         |                       |
| White, George             | Withers, Pokey H.         |                       |
| White, John R.            | Withers, Robert W.        |                       |
| White, Larry              | Wittan, David C.          |                       |
| White, Lois M.            | Wohlford, George E.       |                       |
| White, Maude              | Wojtowicz, A.             |                       |
| White, Mrs. Doshia E.     | Wolf, John F.             |                       |
| White, Mrs. Ella C.       | Wolfe, Nancy W.           |                       |
| White, Myrtle S.          | Wolffrey, Betty P.        |                       |
| White, Patrick H.         | Wolverley Corporation     |                       |
| White, S. N.              | Wood Jr., Churchill E.    |                       |
| White, William B.         | Wood, Claudine S.         |                       |
| Whitehead, Mrs. K. B.     | Wood, George A.           |                       |
| Whitehead, W. N.          | Wood, George L.           |                       |
| Whitlow, John H.          | Wood, Guy W.              |                       |
| Whitmore, Robert A.       | Wood, Helen Q.            |                       |
| Whitney, Charlie          | Wood, Hugh M.             |                       |
| Whittemore, Burton L.     | Wood, James H.            |                       |
| Whittle Jr., Henry D.     | Wood, James M.            |                       |
| Whitworth, William        | Wood, Mrs. Arlene H.      |                       |
| David                     | Wood, Mrs. Virginia I.    |                       |
| Whorley, Bill W.          | Wood, Raymond L.          |                       |
| Whorley, Wiley L.         | Wood, Robert J.           |                       |
| Wickert, Richard          | Wood, Ronnie H.           |                       |
| Wickham, Henry T.         | Wood, William C.          |                       |
| Wigert, Margaret          | Wooding, Roy D.           |                       |
| Wiggs, William R.         | Woodroof, W. E.           |                       |
| Wilber Jr., Charles M.    | Woods, Ronald E.          |                       |
| Wilberger, Raymond        | Woodson Jr., W. T.        |                       |
| Wilcox Jr., Thurman L.    | Woodson, Charles G. or    |                       |
| Wilcox, Brenda K.         | Peggy                     |                       |
| Wilk Jr., Joseph          | Woodson, Huey             |                       |
| Wilkerson Sr., Charles L. | Woodson, James H.         |                       |
| Wilkins, Robert C.        | Woodson, Mrs. Annie B.    |                       |
| Willcox, Norman or        | Woodson, Odell            |                       |
| Catherine                 | Woody, Hazel              |                       |
| Willett, Mo               | Woody, Lynwood            |                       |
| William C. K. Alberts     | Woody, Nancy O.           |                       |
| Williams Jr., Guy L.      | Woody, Pamela M.          |                       |
| Williams Jr., James H.    | Woolridge, Shirley E.     |                       |
| Williams, Bernard         | Wootten, Mrs. George      |                       |
| Williams, Carlton P.      | Workman, J. D.            |                       |
| Williams, Clay            | Worrell Jr., Thomas E.    |                       |
| Williams, David H.        | Worrell Newspaper         |                       |
| Williams, Dot             | Wray, Billy G.            |                       |
| Williams, Gary V.         | Wray, C. Ward             |                       |
| Williams, George          | Wrenn, Grover C.          |                       |
| Williams, H. L.           | Wright Sr., Earl W.       |                       |
| Williams, K. S.           | Wright, Clarence          |                       |
| Williams, Mary            | Wright, Connie E.         |                       |
| Williams, Minnie          | Wright, Geneva N.         |                       |
| Williams, Robert          | Wright, Horace            |                       |
| Williams, Teddy W.        | Wright, John Lee          |                       |
| Williams, Wayne           | Wright, Motears           |                       |
| Williamson, J. Monte      | Wright, Mrs. Alvin C.     |                       |
| Williamson, Thomas M.     | Wright, Mrs. C. J.        |                       |
| Williford, Joe V.         | Wright, Mrs. Henry        |                       |
| Willingham, Mrs.          | Wright, Mrs. R. D.        |                       |
| Catherine                 | Wright, Susie E.          |                       |
| Willis, William W.        | Wuerthner Jr., J. J.      |                       |
| Willis, Henry R.          | Wyant, Douglas L.         |                       |
| Willmore, Daniel E.       | Wyant, Joseph R.          |                       |
| Wilson, C. H.             | Wyland, L. Harry          |                       |
| Wilson, C. L.             | Wyler, Arline             |                       |
| Wilson, Dean Gordon       | Yama, George H.           |                       |
| Wilson, Gerald M.         | Yao, Michael T.           |                       |
| Wilson, James H.          | Yates, George D.          |                       |
| Wilson, John L.           | Yates, Kathryn H.         |                       |
| Wilson, Kenneth           | Yates, Mrs. Cauline M.    |                       |
| Wilson, Kenneth H.        | Yelinek Sr., Henry A.     |                       |
| Wilson, LCDR James W.     | Yopp, Mary E.             |                       |

## SHORT NEWS BURSTS

### Pole Inspections Extend Useful Life

CVEC has a portion of our utility poles inspected every year to ensure reliability of service and extend the useful life of our equipment. This year's pole inspections will be in Division 2 in areas fed by the Mount Rush, Gladstone, Tower Hill, Curdsville and Centenary Substations. In addition, poles located in areas fed by Appomattox and Pamplin Metering Points will be inspected. The estimated number of poles to be inspected is 5,828. The work will be performed by technicians from a private company, Osmose. Call 800-367-2832 if you have any questions. 📍

### CVEC Conducting Member Surveys

CVEC has been checking with members to evaluate performance of the employees in the field and the office. If you receive a call please spend a few minutes to share your thoughts to keep member satisfaction high. The survey includes questions to evaluate member satisfaction compared to other electric cooperatives, for-profit utilities, Fortune 500 companies, banks, cable companies and internet providers, to name a few.

CVEC scored very high in our first quarter survey with an overall ACSI score of 84 ranking high among Co-ops and outpacing all other industry sectors. This is understandable considering that CVEC has maintained very low rates for decades and responds quickly to restore service when an outage occurs.

In addition to the general satisfaction survey, CVEC will be polling members after specific activities, such as installation of a new service, restoration of service after a power outage, right-of-way maintenance, or a telephone contact with one of our service representatives.

Thank you for helping us with our member survey. If you would like to share your thoughts about the value of the service that you receive from your Co-op or how it can be improved send a note to:

[ms@mycvec.com](mailto:ms@mycvec.com). 📍



During Summer 2011, CVEC contract crews will be clearing right of way in the following areas:

- Mission Home
- Gordonsville
- Faber
- Norwood
- Centenary
- Bybee

If you have questions or comments, please contact our forester by e-mail: [forester@mycvec.com](mailto:forester@mycvec.com) or by calling 1-800-367-2832. 📍

## Make Life Easier!

### Check your account balance by phone.

Call 800-367-2832 and then follow this simple sequence.

- » Press 2.
- » Then press 1.
- » Then press 1 again.

It's easy, quick and available anytime.

**Stop writing checks.** Sign up for **Easy Pay**. Every month, CVEC will send you a statement and deduct the amount you owe from any bank account you specify. One less stamp. One less task. Sign up on the back of your bill or by visiting [www.mycvec.com](http://www.mycvec.com).

**Level out your bill.** If you would like your electric bill to be about the same every month, regardless of the season, check out CVEC's **Equal Payment Plan** or EPP. Call 800-367-2832 to sign up.

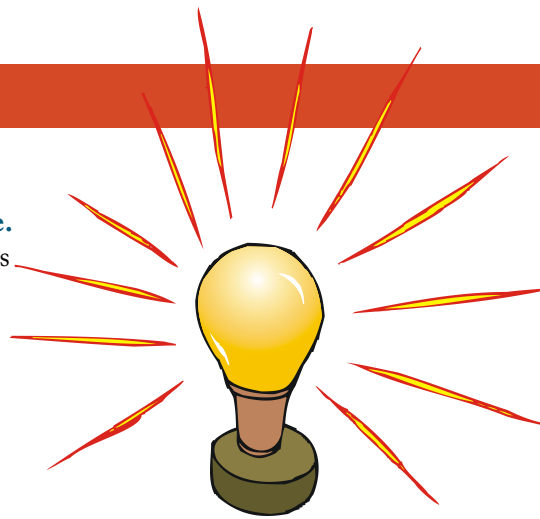
**Help us find you.** Make sure that CVEC has your correct service location address. Update the E-911 address shown on your statement if it is not correct, or if it is different from your mailing address, and return address corrections to us.

## CVEC Announces New Internet Domain Name

Our Co-op's website can now be found at [www.mycvec.com](http://www.mycvec.com). An employee of CVEC can be reached using the following e-mail format: [jdoe@mycvec.com](mailto:jdoe@mycvec.com). Not only is the new domain easier to remember, it also highlights that CVEC exists to serve you and the other Cooperative member-owners.

## Energy Sense Newsletter

If you share your e-mail, we will send you our new E-Newsletter: **Energy Sense**. With energy prices set to rise next year, we all can work together to increase our energy efficiency and reduce our electric bills. Visit [www.mycvec.com](http://www.mycvec.com) and let us know what you think of Energy Sense. 💡



## Three Area Graduates Earn Co-op College Scholarships

Three high school students from Central Virginia have each earned college scholarships awarded by the Educational Scholarship Foundation of the Virginia, Maryland, and Delaware Association of Electric Cooperatives (VMDAEC).

The recipients are:

- Stacey Marshall of Columbia, a senior at Cumberland County High School and the daughter Tammy and Clay Marshall. Stacy will study nursing at Longwood University.
- Cora Elizabeth Roby of Lovingson, a senior at Nelson County High School and the daughter of Gene and Mary Roby. Cora Elizabeth will study engineering at Virginia Tech.
- Macon Rowley of Roseland, a senior at Nelson County High School and the daughter of Raymond and Bobbi Rowley. Macon will study elementary education at Eastern Mennonite University.
- All of these students earned the scholarships based on a competitive screening process and were eligible because their parents are member-owners of Central Virginia Electric Cooperative.

Congratulations to all and good luck in their educational endeavors. 💡

## CVEC Kicks-Off Boots for Haiti Program

Two CVEC linemen, Chris Allen (Scottsville) and Bryon Sandridge (Troy) spent three weeks in Haiti, training linemen how to climb utility poles and work safely while repairing the electric distribution system that was damaged by the earthquake in early 2010. Chris and Bryon came home with the clothes on their back, leaving their tools, boots, and gear behind.



*Chris Allen teaching Haitian linemen to climb poles ... and toss a soccer ball!*

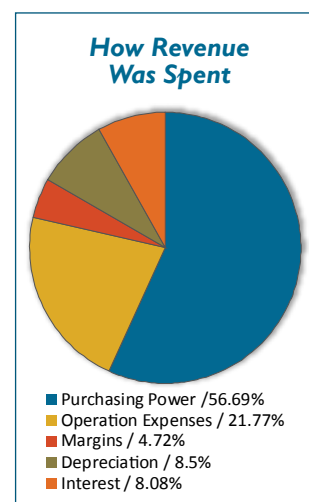
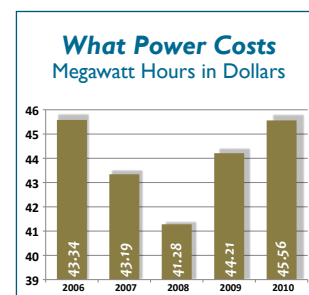
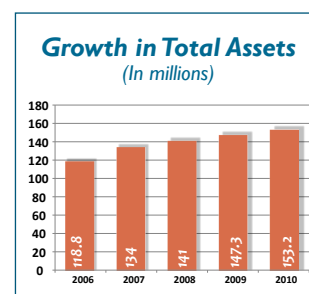
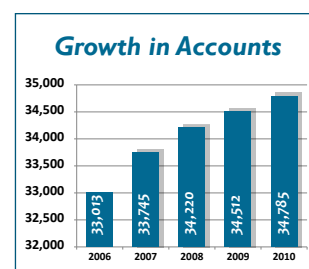
Both report that they admired the strength and dignity of the people that they met and they want to continue to help. Chris and Bryon have started a "Boots for Haiti" program; collecting used steel-shank boots that will help Haitian linemen climb utility poles using special sharp climbing "hooks." If you want to donate your used steel-shank boots to the "Boots for Haiti" program, visit one of our three Cooperative locations in Appomattox, Colleen, or Palmyra. Thank you in advance for your generosity. 💡



## STATEMENT OF CONDITIONS:

Balance Sheet as of December 31, 2010 & 2009

ASSETS (What we own)	2010	2009
Total Value of Our Plant:	\$180,312,822	\$173,807,005
Plant Depreciation Estimate:	\$52,468,645	\$49,144,853
Net Value of Our Utility Plant:	\$127,844,177	\$124,662,152
Cash in the Bank:	\$2,170,626	\$2,903,256
Value of Our Investments:	\$2,988,186	\$2,880,520
Notes & Accounts Due Us:	\$5,976,577	\$5,583,665
Value of Materials Stock & Supplies:	\$1,866,345	\$2,090,515
Value of Prepayments & Miscellaneous Assets:	\$12,365,407	\$9,181,334
<b>TOTAL ASSETS</b>	<b>\$153,211,318</b>	<b>\$147,301,442</b>
LIABILITIES (What we owe)	2010	2009
Owed to RUS & FFB:	\$70,087,263	\$67,863,776
Owed to CFC & Others:	\$18,005,972	\$13,994,324
Owed on Current Accounts:	\$20,128,063	\$22,164,009
Members' Equity in Co-op:	\$44,990,020	\$43,279,333
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$153,211,318</b>	<b>\$147,301,442</b>
OUR INCOME	2010	2009
Electricity & Distribution Services Sold:	\$60,700,447	\$56,428,435
Received from Investments:	\$200,309	\$269,258
<b>TOTAL INCOME</b>	<b>\$60,900,756</b>	<b>\$56,697,693</b>
OUR EXPENSES	2010	2009
Cost of Electricity Purchased & Generated:	\$33,967,257	\$32,004,406
Expense of Operating & Maintaining Our System:	\$13,042,675	\$12,311,699
Annual Depreciation of System:	\$5,107,352	\$4,816,686
Interest on Long Term Loans:	\$4,774,890	\$4,611,875
Other Interest Expenses:	\$34,157	\$122,496
<b>TOTAL EXPENSES</b>	<b>\$56,926,331</b>	<b>\$53,867,162</b>
<b>MARGINS AND PATRONS' CAPITAL</b>	<b>\$3,974,425</b>	<b>\$2,830,531</b>



A DECADE'S GROWTH:	2010	2000	% Increase
Number of Accounts Served:	34,785	28,422	22.39%
Miles of Line in Service:	4,550	3,905	16.52%
Average Number of Accounts per Miles of Line:	7.65	7.28	5.08%
<b>TOTAL ASSETS</b>	<b>\$153,211,318</b>	<b>\$80,673,534</b>	<b>89.92%</b>

Financial statements are audited annually by an independent certified public accounting firm. Our financial statements present fairly, in all material respects, the Cooperative at December 31, 2010, and the results of the year conform with generally accepted accounting principles. Copies of our financial statements are available upon request.

## CVEC Value Comparison:

Since we are looking at the 75-year history of our Co-op, we thought it would be interesting to see how our value has endured over time. The bundled cost of electric service from CVEC has almost doubled over the last 75 years, while the value of money has increased twelve-fold.

Today the average residential member uses about 1300 kilowatt-hours of electricity costing a little under \$120 for our heating, cooling, appliances and gadgets.

Due to a long-term energy contract, CVEC members have been paying less for electric service than their friends and neighbors served by other utilities. CVEC is your best energy value! 📌

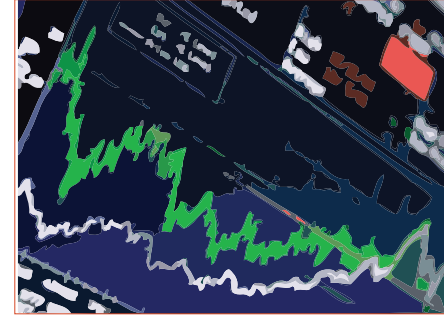
	1936	1974	2011	% Increase
1 CVEC kilowatt hour	5¢	2.5¢	9.2¢	2x
Value of Money	\$100.00	\$574.00	\$1,204.00	12x
Average Income	\$1,713.00	\$12,900.00	\$43,460.00	25x
Gallon of Gas	10 ¢	40¢	\$3.65	36x
Average Car	\$675.00	\$4,400.00	\$28,400.00	42x
Steak	20¢/lb	\$1.39/lb	\$6.46/lb	32x
Car Tire	\$3.69	\$9.99	\$75.00	20x
Dozen Eggs	18¢	45¢	\$1.73	10x
Bread Loaf	8¢	16¢	\$2.28	28x
Bacon	38¢	\$1.29	\$4.53	12x
Toilet Tissue (2 rolls)	9¢	26¢	\$2.25	25x
Refrigerator	\$149.75	\$288.00	\$1,000.00	7x
Washer	\$54.95	\$199.00	\$800.00	15x
Automatic Iron	\$4.95	\$6.95	\$24.00	5x
House	\$3,925.00	\$32,500.00	\$246,000	63x

(Comparison figures obtained from available sources with some figures averaged, when a cost range was presented, in order to represent the average cost for a particular item.)

## Wholesale Power, Higher Rates in 2012, and Energy Efficiency

By now, you have probably heard that your Co-op will pay more for wholesale energy after May 31, 2012. This is due to the end of a great 10-year wholesale energy contract.

Over the past 10 years, the wholesale energy market has changed. Wall Street brokers and investment banks are trading energy like any other commodity. The risk and costs have been shifted to the wholesale buyer. Prices have risen and our friends



and neighbors served by other utilities have been paying much more than our fellow Co-op members for quite some time. While final terms have not been reached on the new energy contract, CVEC anticipates that members who presently pay \$100 for a monthly bill will likely pay \$125 in June of 2012.

Over the next year, CVEC will be discussing the status of the new wholesale energy contract (Co-op members purchase energy in bulk and split the cost based upon usage) and we will be discussing ways to reduce consumption through energy efficiency efforts. If you want to begin today, visit [www.mycvec.com](http://www.mycvec.com) and conduct an online energy audit of your home, sign up for the [Energy Sense](#) newsletter by sharing your e-mail address, and then check back for additional tools to help us all save. 📌

## CVEC Offers Renewable Energy Certificates

If you are one of the members who would like to purchase “green energy” but want to avoid the costly investment of a solar or wind system, then your Co-op now has an alternative for you. CVEC has purchased wind-generated renewable energy certificates (REC’s) through the Old Dominion Electric Cooperative.

**How does it work?** Remember that electric utilities cannot capture and guide electrons from a renewable energy generator and then direct them to your house. People who want to purchase green energy through the market must rely on a certificate system, where the output of a green energy generator like wind, solar, bio-mass, wave motion, geo-thermal, etc., is measured and converted to a tradable certificate.

These certificates can then be purchased by anyone who wants to add the renewable energy component to their regular electricity. In this instance, the owner of the wind generator keeps the energy that was generated but sells the green aspect of that energy in the form of a certificate, which is then tracked and retired. In addition to wind power, CVEC will produce REC’s from the output of the Rockfish Bridge Hydro Plant on the Rockfish River, and a 2 KW photovoltaic system owned and operated by the Co-op.

**How do you sign up?** Visit [www.mycvec.com](http://www.mycvec.com) to read about “Rider R” and then download the registration form. CVEC will begin billing you for the Renewable Energy Rate which is your present energy rate plus an additional 1.5¢ per kilowatt-hour. So, if you use 1000 kwh per month, that would add an additional \$15 to your electric bill. 📌

## KNOW YOUR DIRECTOR:

The three members of the Central Virginia Electric Cooperative who have been nominated for election in 2011 are introduced here, each with a short biography.



**George N. Goin**

*East District /  
Representing  
the Counties of*

*Fluvanna, Goochland, Louisa,  
and Orange*

George Goin has served on the CVEC Board of Directors since 1993, and has been a CVEC member since 1972. Mr. Goin is retired from the U.S. Postal Service where he served as a rural mail carrier. Prior to joining the postal service in 1988, he was a game manager for the VA Department of Game and Inland Fisheries for 17 years. He has farmed Modesto Farms since 1974.

George earned both the Credentialed Co-op Director and the Board Leadership Certification from the National Rural Electric Cooperative Association (NRECA) as well as other training. He considers this training important in order to make informed decisions for CVEC members.

Mr. Goin believes the Co-op needs to maintain affordable electric rates by continuing to aggressively pursue innovative ways to reduce power costs, while emphasizing high quality service to its members.

George and his wife, Claudia, live on their farm, Modesto Farms, in Fluvanna Co. where they raise beef cattle and grow a variety of plants in their greenhouses for the local community. George is very active in community organizations as well. 📍



**Jace A. Goodling**

*West District /  
Representing  
the Counties of*

*Augusta, Albemarle, Greene, Nelson*

Jace Goodling, his wife Louise and their two sons Atlee and Clarke live on a 25-acre farm in Afton. He is a lifelong resident of Albemarle and Nelson Counties, graduated from Washington and Lee University, and has been residing in Afton for most of the last 30 years. Working in the residential housing industry for the last 25 years, he is the owner of Goodling Enterprises, LLC, providing project management and oversight services for residential construction and renovation projects. When the housing industry sags, Mr. Goodling operates Goat Busters, a green, environmentally-sensitive, brush clearing business utilizing his herds of Kiko goats.

Mr. Goodling has served as President of the Nelson County Home Builders' Association for many years, and has served as a Nelson County representative on the Board of Directors of the Thomas Jefferson Housing Improvement Corporation (now the Piedmont Housing Coalition). He joined the CVEC Board in 2003. 📍



**R. Kinckle Robinson**

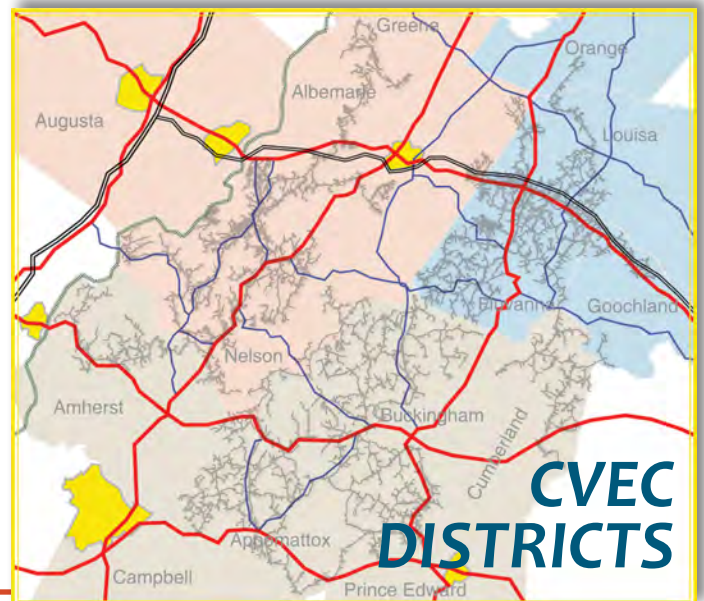
*South District /  
Representing  
the Counties of*

*Amherst, Appomattox, Buckingham,  
Campbell, Cumberland, and Prince  
Edward*

Kinckle Robinson is a lifelong resident of Appomattox County, living in Pamplin with his wife, LeeAnn, and their two children. He is President and Owner of Robinson Funeral Home, Inc., in Appomattox, a family owned and operated business since 1947. He also shares in a partnership running Kindon Farms, a beef cattle cow/calf operation.

Mr. Robinson serves on the Board of The Farmers Bank of Appomattox, and belongs to Gideon's International, Woodman of the World, and the Appomattox Cattleman's Association. He joined the CVEC Board in 2005.

Mr. Robinson and his family attend Memorial United Methodist Church in Appomattox. 📍



29

Lovingston



### NELSON COUNTY HIGH SCHOOL

is approximately 1.5 miles South of Lovingston or 2.5 miles North of Colleen on the West side of US 29.

**REMEMBER: Registration begins at 7 PM!**

Colleen

56

29

Lynchburg

## HOW TO VOTE:



If you do not attend the annual meeting in person, you may vote by proxy ballot. If you come to the meeting you are entitled to vote during the meeting; however, your proxy ballot will be canceled.

**Proxy:** If there is doubt that you can attend the annual meeting, please execute and return the proxy ballot promptly so a person may be designated as your proxy. The proxy will act on your behalf for business matters and will ensure a quorum for the business meeting. The named person should be someone you expect to attend the annual meeting. The director from your area or

a Co-op employee may be designated. You may also leave the space blank and the CVEC Board will appoint a person to act for you. **Please date and sign the proxy ballot.** Return it to the Co-op by folding the ballot together, sealing, and mailing. Returning the proxy ballot registers you for proxy prizes (see below).

### Director Elections:

- You may choose to mark your proxy ballot for one director in each of the three districts.
- Your other options are to mark "abstain" if you do not wish to vote or to leave the proxy ballot blank and your proxy will cast your vote at the meeting. 📍

**BE SURE TO SIGN SECTION #3 ON YOUR PROXY BALLOT.**

Tear at perforation, fold & seal



We will pick 11 proxy ballots from all received by 5 PM, Monday, June 20.

Ten winners will receive \$100 credit toward their electric bill.

**ONE GRAND PRIZE WINNER WILL RECEIVE \$500 CASH!**

Your proxy will not be valid if you attend the meeting, but you will be eligible for additional prizes given that evening.

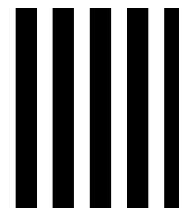
Fold here

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### BUSINESS REPLY MAIL

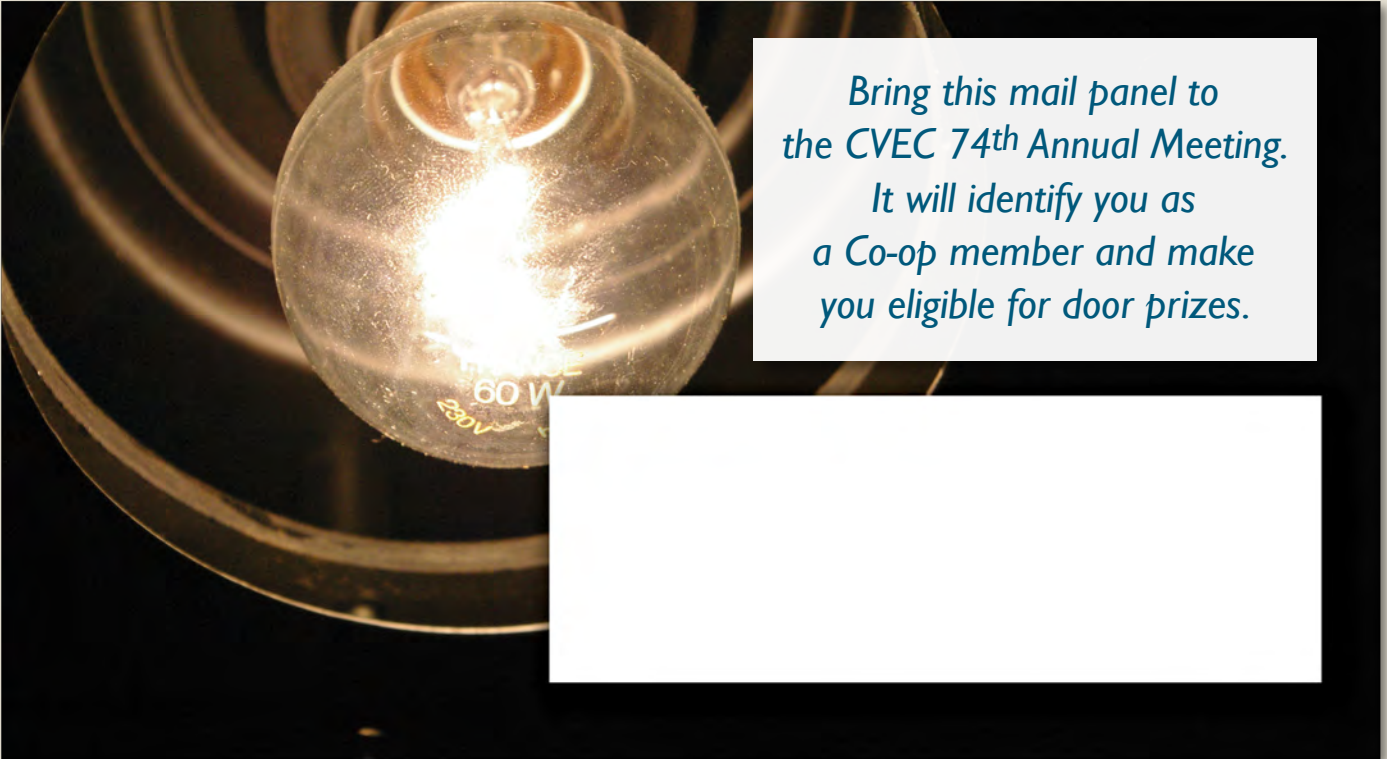
FIRST-CLASS MAIL PERMIT NO. 2 LOVINGSTON, VA  
POSTAGE WILL BE PAID BY ADDRESSEE

CENTRAL VIRGINIA ELECTRIC COOPERATIVE  
P.O. BOX 247  
LOVINGSTON, VA 22949-0247



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES

www.mycvec.com



Bring this mail panel to the CVEC 74th Annual Meeting. It will identify you as a Co-op member and make you eligible for door prizes.



**OFFICIAL 2011 CVEC PROXY BALLOT**

The Board of Directors of Central Virginia Electric Cooperative solicits your Voting Instructions for the Annual Meeting, 7 PM, June 22, 2011.

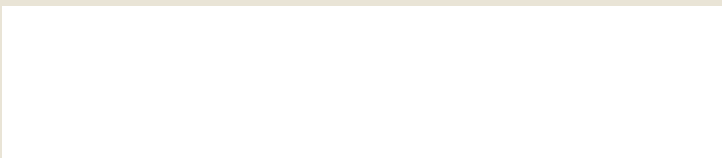
**1. Designate Your Proxy (Optional)**  
*(Person attending the Meeting to vote on your behalf.)*

PROXY NAME: \_\_\_\_\_  
*(This is optional. If left blank, the Board of Directors will appoint someone as your Proxy.)*

**2. Voting Instructions:** Check only one box in the East District, one box in the South District and one box in the West District. *(If left blank, your Proxy will choose on your behalf.)*

East District	<input type="checkbox"/>	George N. Goin (3 yr. term)
	<input type="checkbox"/>	or Abstain
South District	<input type="checkbox"/>	R. Kinckle Robinson (3 yr. term)
	<input type="checkbox"/>	or Abstain
West District	<input type="checkbox"/>	Jace A. Goodling (3 yr. term)
	<input type="checkbox"/>	or Abstain

**NOTE: VOTE FOR ONLY ONE (1) IN EACH DISTRICT**



I acknowledge receipt of the Notice of Annual Meeting and Proxy Designation. In the event of my absence, I hereby designate a Proxy to vote on my behalf at the Annual Meeting.

This Proxy Ballot, when returned properly executed, will be voted as directed. If this Proxy Ballot is returned signed with no Voting Instructions, my Proxy will choose on my behalf. The Board of Directors will appoint my Proxy if I do not designate someone.

**This Proxy Ballot must be signed to validate your vote.**  
**All Voting Instructions will be kept confidential.**

**3. Sign here to validate Proxy Ballot**  
*(Sign name as it appears on CVEC account)*

**X** \_\_\_\_\_, \_\_\_\_\_ 2011  
Member Signature Date

TITLE: \_\_\_\_\_  
*(If you are an officer or voting representative of the member organization)*

**4. Mail Proxy Ballot** *(Must be received by 5 PM, June 20, 2011.)*