



The Light Issue

of the Current Communicator

The FAQ Edition

Spring 2017

News for the member-owners of Central Virginia Electric Cooperative

Billing

What is the basic distribution charge that I see on my bill and why do I need to pay it? I use very little energy every month.

The basic distribution charge covers the cost of the transmission and distribution lines, substations, transformers, and other equipment in place that allows electricity to reach your meter each month. This charge also includes the cost of maintenance required to keep service available, including vegetation management and outage response. As a member-owned cooperative, CVEC's goal is to fairly allocate costs to members. This rate structure ensures that full time energy users are not subsidizing the cost of maintaining a connection for members with cabins, seasonal homes and other low-to-no use structures.

What are the cost components of my electric service?

See the graphic to the right.

What is the PCA charge?

The Power Cost Adjustment is a mechanism used to "true up" power costs to members on an annual basis. At CVEC, power costs are passed through to members at the wholesale rate. If power sales are higher or lower than expected or if the wholesale costs to CVEC change slightly, there is a difference between what the Cooperative takes in from members and what it pays out to power suppliers. This difference is passed back to the members as a credit or debit through the PCA.

Why does my bill go to Birmingham, Alabama now? Doesn't that give me less time to pay?

In 2016, CVEC changed payment processors. The automated system of this business partner processes payments much more economically and accurately than manual processing at our local offices, providing savings for every member every month. CVEC provides 21 days for payment after the bill is issued. CVEC provides many options for payment, including by bank draft, online portal, or by telephone. CVEC now also offers kiosk service 24 hours a day at each of its offices. The kiosks accept cash, check, and credit or debit cards, which are immediately posted to your account.

Front of residential bill

| BILLING DETAILS | |
|---|--|
| Previous Balance | |
| Payment Received | |
| Balance Forward | |
| Basic Charge | |
| Distribution Usage Charge (\$0.0269100 / kWh) | |
| Energy Charge (\$0.0760300 / kWh) | |
| Power Cost Adjustment (\$-0.004560 / kWh) | |
| Security Light(s) | |
| Utility Consumption Tax | |
| County Consumption Tax | |
| > Current Charges (due XX/XX/XXXX) | |
| TOTAL AMOUNT DUE | |

Basic Charge
\$5.75/metering & billing and \$22.98/cost of distribution connection prior to energy usage

Distribution Usage Charge
2.691¢ per kWh for cost of distribution system to move energy from substation

Energy Charge
7.603¢ per kWh

Power Cost Adjustment
Annual adjustment related to power costs

I am on a fixed income. Why can't you give seniors and others a discount?

The Co-op provides electric service at cost to members. The cooperative business structure does not have excess funds that can be used to offset costs for any group of members. To help find funds for those in need, CVEC does maintain a list of local charitable organizations and government agencies who offer assistance.

It seems like everything is more expensive today. How much have rates gone up over the years?

Electric service is a great energy value and has been for a long time. In 1937, CVEC charged 5¢ per kilowatt-hour (kWh). Eighty years later the price is less than 12¢ per kWh. Another value comparison is to calculate what it would cost in time and money to replicate the comfort and convenience powered by electric energy. Think of hauling ice, chopping wood, and doing laundry the old fashioned way.



Does CVEC estimate my monthly bill?

No. We read your meter every day via the power lines. Visit <https://pay.mycvec.com> to view your individual daily usage to help you manage your energy.

Energy

Where does my energy come from?

Good question. CVEC gets electricity from a mix of generation facilities and contracts with multiple suppliers. The mix includes a wind project in Ohio, a gas plant in Ohio, and hydroelectric plants in Virginia. Beginning in 2017, CVEC will also receive the electricity from 10,000 kW of solar panels installed within our service territory along the I-64 corridor.



Why does my bill increase so much during the winter? I know that it is cold outside but my heat pump runs a lot during the summer and I pay less.

Heat pumps run best when they move heat, not make heat. When set to cool, it moves heat from inside to outside. When set to heat, it moves heat from outside to inside your home. When the outdoor temperature falls below 35°, there is not enough heat to gather from the outside air. The unit converts to resistance heat (operating like an electric furnace) which requires about 3 times the amount of kilowatts-hours to provide the same amount of indoor heat. When the auxiliary heat light is on, the operation of the heat pump is much more expensive.

If my bill is directly tied to energy consumption, how can I reduce my usage without sacrificing comfort?

Space conditioning can account for about 50-60% of your electric bill. Sealing around doors and windows and making sure your home has adequate insulation are good first steps. Get an HVAC tune-up. Change filters. **A programmable thermostat that sets the temperature back about 10° while you are sleeping or away can save you 15-20% on your bill.** Monitor your energy at <https://pay.mycvec.com> and find more energy saving tools at www.mycvec.com.



Does CVEC give a rebate if I buy an energy efficient appliance?

CVEC does not offer rebates for higher efficiency appliances at this time. The savings from a lower electric bill can be significant and might provide a quick payback for new, more efficient heat pumps, water heaters, refrigerators, washing machines, and other home appliances. Review the manufacturer's energy guide information at the store or online to determine the type of savings it will provide.

What is the long term outlook for energy prices?

CVEC is well-positioned with a diversified portfolio of energy sources and has already procured competitively priced electricity to serve a portion of member needs through 2024. The long term outlook for energy prices is

stable, though some ancillary costs like transmission service are rising. CVEC is working hard to secure the most affordable energy available and is helping members manage the energy that they need.

In terms of recent trends, energy costs have dropped each of the past two years and members are seeing those savings returned through the PCA on their bill.

Reliability & Outages

What is CVEC doing to keep the lights on?

Improved reliability is an ongoing goal for CVEC. CVEC is pre-emptively cutting or trimming 4,000 dead or leaning “danger trees” each year growing outside of the rights-of-way. We are focused on bush hogging and trimming entire circuits and are focused on circuits that have a history of the most outages. CVEC has installed fuses at the beginning of each tap line, so that an outage will de-energize the tap line but protect reliability on the primary circuits. CVEC is already seeing positive results from these actions as our reliability metrics are improving each year.

Why does CVEC have planned outages to upgrade service? What are you doing?

There are several reasons why your cooperative might need to schedule a planned outage. One common project is a voltage upgrade on the distribution system from 7,200 volts (7.2 kV) to 14,400 volts (14.4kV) which carries more power and has fewer line losses. After upgrading the conductors, the final step in voltage conversion is to de-energize the line in order to allow the linemen to change the settings on each transformer to match the higher voltage. Planned outages are often necessary during major improvements.

What causes momentary outages? When they happen I have to reset my clocks.

A momentary blink is the result of the distribution protection system working properly to prevent a longer term outage. When a tree branch or other item touches an energized conductor, it causes the circuit breaker on our line to trip. This is similar to a home circuit breaker or ground fault interrupter tripping. Unlike your home circuit protection, the overhead line circuit breaker is designed to “re-close,” or automatically reset, to avoid longer term outages for momentary contacts. This opening and reclosing results in the blink seen by our members.

If the problem has not cleared the line when the recloser re-energizes the line, the nearest circuit breaker or fuse will open again to de-energize the line until CVEC can send field personnel to locate and correct the problem.

A crew came through but did not trim the tree along the wire between my transformer pole and my house.

CVEC maintains the rights-of-way along and beneath the medium voltage power lines. The Cooperative does not trim yard trees between an overhead transformer and along the service line to the house or business, for a number of reasons, including potential damage to septic fields, lawns, and loved ones. A member may choose to use a local contractor to trim trees around the service cable. Please contact CVEC to allow us to temporarily de-energize the line while the work is proceeding.

A crew came through and trimmed trees but did not clean up afterward.

When trimming trees along the rights-of-way, one crew will cut lateral branches or take down danger trees, and pull larger sections of the tree to the side. A second crew will follow some time later to bush hog the smaller tree branches. If a line section affects a member’s yard, the second crew will use a chipper on the smaller tree branches.

Why do I get a computer when I call to report an outage?

CVEC wants to handle as many calls as possible as quickly as possible during outages. The cooperative uses an Outage Management System (OMS) that gathers data from phone calls and uses predictive analysis to pinpoint the fuse or recloser located just up-line from a downed tree/fault location. The OMS is integrated with our phone system that can handle almost 1,000 calls per hour, which helps us dispatch crews to the proper locations.



What if I want to talk with a person?

While the quickest method of notifying us of an outage is using the automated system, we always provide an option for waiting and talking to a person either at CVEC or with our business partner who helps take overflow calls beyond the volume we are staffed to handle. Often, a member wants to talk to a CVEC representative to ask what the cause of the outage is or how long it will last. We rarely have this information available until hours after the initial outage occurred due to transit time and field analysis work. The rule of thumb is that for a downed tree on a line, it may take 2 to 3 hours for the crew to arrive, clear the tree and re-energize the line. If there is significant damage where a pole might need to be replaced, the restoration time might take 4 to 6 hours. During major storms with multiple outage locations, check the outage map on our website and our Facebook page for updates.

What are my other options?

While 80% of members enter their outage report online or through the automated phone system, a good number have downloaded the CVEC mobile app and set their preference to receive proactive outage notifications from the Cooperative when we know that they are out of power. We will also update you when we predict that power has been restored. A text option also exists for outage notification, which will deliver information directly to your smart phone.

Services

What are those machines outside the CVEC offices?

CVEC activated 3 payment kiosks. Pay your bill 24x7 with credit card, debit card, check or cash (no change) and your account will be automatically updated.

CVEC has encouraged me to select the Prepaid Service option. What are the benefits?

The Prepaid option allows CVEC to return any security deposit to the member, and allows the member to pay what they want, whenever it is most convenient, as long as a positive account balance is maintained. Unlike our regular payment methods, for members on prepaid service there are no late payments or fees for service disconnection or reconnection. If the account balance drops below zero, the account will be automatically disconnected. After the account is brought back up to a minimum positive balance, service is automatically restored.

CVEC will send balance and usage alerts to members' text, email, and mobile app allowing members to track their daily usage, implement energy savings actions, and save money.



Broadband

I heard about CVEC's effort to help deliver broadband Internet. What is the status of that effort? What are the biggest challenges? Where can I learn more?

CVEC has agreed to allow Acelanet, a regional Internet Service Provider, to attach to CVEC poles if they meet a number of conditions. They must deliver true broadband service with no data caps to any and all interested CVEC members within five years from the beginning of the project. They indicated they will do this with a combination of fiber optic lines and wireless technology.

Acelanet will devise a plan and notify CVEC members when they are ready to begin. They have a number of obstacles to overcome (financial, logistical, legal, etc.), but have expressed a desire to take up the challenge.

CVEC will not be enrolling members or providing specific information about the deployment. Acelanet will be enrolling members and providing specific information at www.acelanet.com.

