



Your Touchstone Energy® Cooperatives 
The power of human connections®

Questions and Answers About SVEC

1. What kind of organization is Sequachee Valley Electric Cooperative?

It is a rural electric cooperative, chartered under the laws of Tennessee to distribute electric energy to the people living in its service area.

2. When was Sequachee Valley Electric Cooperative organized?

SVEC was incorporated on July 31, 1939. The Cooperative was formed to build and maintain a system to distribute electricity in Marion, Grundy, Sequatchie and Bledsoe counties.

3. What is meant by a "rural electric cooperative?"

A rural electric cooperative is similar to any other cooperative in that it was organized by a group of people to perform a non-profit service for members of that group.

4. Do the people actually own the cooperative?

Yes. There are nearly 35,000 people in Marion, Grundy, Sequatchie, Bledsoe and Van Buren counties who own a part of the cooperative. These people are called members of the cooperative.

5. How do you become a member of the cooperative?

A person becomes a member by agreeing to buy electricity from SVEC, and agreeing to comply with its rules and regulations. Until 1996 members were required to pay a \$5 membership fee as an investment in the cooperative. There is no longer a charge for membership.

6. Why was it necessary to form cooperatives to distribute electricity in rural areas?

No other company or organization would undertake the job because of the low population of the area. They didn't think they could make enough money.

7. Who controls the cooperative?

The members control it through an elected Board of Directors. The Board of Directors is composed of 11 members - each of whom represents the members of the district where he/she lives. The board members are also members of the cooperative.

8. How are the Board members elected?

Persons wishing to run for the Board must contact the Nominating Committee for their district by the appointed date and meet the qualifications to be put on the ballot. The voting is done in person at a designated location on a set date and time. Directors take office at the Annual Meeting of the Membership following their election and serve for a four year term. Three or four directors are up for re-election each year. The board elects officers during the fourth regular monthly board meeting that follows the Annual Meeting of the Membership.

9. What are the duties of the Board of Directors?

The board is a policy-making and supervisory body for SVEC. It sees that the cooperative is run properly and to the best interest of all members and that the policies agreed upon are carried out. The board employs a General Manager to oversee the cooperative's day-to-day operations.

10. Where does the Electricity come from?

SVEC buys electricity from the Tennessee Valley Authority (TVA) at wholesale rates and distributes it to SVEC members. TVA has no control over the cooperative other than requiring that it meet certain regulations and obligations of its power contract.

11. Are there many other cooperatives in Tennessee and the country?

There are 23 rural electric cooperatives in Tennessee and almost one thousand in the United States. In Tennessee, electric cooperatives serve almost one-third of the total population. Across the United States, electric cooperatives serve over 25 million people. That's about 10 percent of the nation's population.

12. What does SVEC do for its members besides provide electricity?

SVEC has a wide variety of programs to help its members get the most efficient use out of electricity and to improve the quality of life in the communities we serve.

- SVEC offers low-interest financing for the installation of heat pumps and cash incentives for building energy efficient homes under the *energy right solutions* new homes program.
- Members can participate in a free on-line home energy survey program to find out how to reduce their total energy use and lower their energy bills. Those who complete the survey on-line will receive a free energy conservation kit from SVEC and TVA.
- They may also participate in other energy efficiency programs which offer rebates on energy efficiency improvements made to the home. The program will be changing in 2015. Check our website at www.svalleyec.com for the latest information.
- SVEC sponsors a series of health and information fairs for those 55 and older each year in October. These Senior Expos provide valuable services and information free of charge to senior residents and their caregivers in all four of the counties served by the cooperative.
- SVEC participates with exhibits and as a sponsor in each of the county fairs in the area.
- SVEC Employees have participated in the American Cancer Society's Relay for Life fund-raiser with support from the co-op. The Marion County team raised over \$11,000 by the 2013 Relay.
- The Co-op participates in Career Fairs, children's fairs, etc. in each county when possible
- The SVECares program puts approximately \$125,000 each year back into our communities to help those in need and to improve the quality of life in our service area. Since the program began in 2000 nearly \$2 million has been granted to deserving families and organizations.
- There are several bill payment options such as PAY-Go prepaid accounts, Autopay, e-billing, paying by e-check, credit card payment, budget billing and special billing dates to assist members in paying monthly bills.
- SVEC is active in area school systems, sponsoring programs like the Washington, D.C. Youth Tour Writing Contest, energy efficiency, safety and basic electricity programs for local schools, high voltage safety demonstrations, 4-H Electric Camp, and the Youth Leadership Summit.
- SVEC offers presentations to area schools and civic organizations on a variety of topics.
- The Cooperative is an active member of the Chambers of Commerce in our area lending sponsorship and personnel for the local Adult and Youth Leadership programs. SVEC was named "Business of the Year" by the Marion County Chamber of Commerce in 2012.
- The Cooperative is also very active in economic development, assisting communities and local governments in obtaining grants and loans for a variety of economic development projects. Since 1990 approximately \$3 million in economic development loans have been awarded through SVEC. The co-ops industrial recruitment efforts have resulted in new businesses and industry such as Mann+Hummel, Nashonal Display and The Cooperative Response Center coming to Dunlap, Valmont Industries and Colonial Chemical coming to Marion County, Toyo Seating locating in Grundy County and Hubbard Farms in Bledsoe County.

14. How do SVEC's electric rates compare with those of other systems?

SVEC currently has a base rate of \$21.94. TVA's wholesale rate is now a seasonal rate that changes monthly by month and season. The monthly rate can be found on SVEC's website, www.svalleyec.com. Currently about 75 cents of every dollar you pay on your electric bill goes to pay TVA for the cost of generation and transmission. Only 25 cents per dollar stays here to run the co-operative.

15. How does being a member of a cooperative help keep electric costs low?

One good example is that SVEC does not buy rights of way, areas of land through which electric lines run. Instead, they are donated by the members. The idea is that the line had to cross someone's land to get to your house, so you should let the line cross your land to get to the family down the road. If SVEC paid you for the strip of land needed for the line to cross your land, it would have to charge more for the electricity it sells you. By cooperation, costs are kept down and everyone can enjoy low-cost cooperative electricity.

If you have any more questions or need more information, call Cathy Black at SVEC at 837-5044 in Marion County, or 1-800-923-2203, extension 5044 outside Marion County. You may also e-mail questions to cblack@svalleyec.com. Visit the web site at svalleyec.com for more information on Sequachee Valley Electric Cooperative and its history, programs and services.