SVEC Assigns Over $15 Million in Equity Ownership

The Cooperative's member-owners for 2017 will soon be rewarded with one of the advantages of being a part of Shenandoah Valley Electric Cooperative: Capital Credits. Capital Credits are not received by consumers of all utility companies. Capital Credits are one of the benefits of being a member-owner of a cooperative. SVEC will mail “Notices of Equity Allocation” to its member-owners. Equity allocation is the member-owner's share of the Cooperative's margins, or revenues after all proper expenses, for a given year.

The notices were mailed to member-owners who received electric service in 2017 and had Capital Credits assigned. This represents the amount of equity assigned to their accounts. The allocation amount for each member-owner is based on their total electric service billing patronage with the Cooperative for the year. The total dollar amount of owner equity assigned for the fiscal year of 2017 was more than $15 million.

No allocations were made for less than $15, therefore no allocation notices were mailed with amounts less than $15 for 2017.

The amount of equity allocation for a member-owner is determined by multiplying their total electric service revenue (“total patronage” on their equity allocation notice) for the year by the Cooperative's financial condition. When the co-op's financial condition permits, your board of directors decides to return the allocated capital credits.

Your co-op notifies you of how and when you'll receive your capital credit retirements.

At the end of the year, your co-op completes financial matters and determines whether there are excess revenues, called margins.

This year, SVEC allocated more than $15 million to our Member-Owners.

Your co-op calculates how much electricity you buy and how much money you pay for it throughout the year.

Source: National Rural Utilities Cooperative Finance Corporation

How Do Capital Credits Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of capital credits.

1. Your co-op calculates how much electricity you buy and how much money you pay for it throughout the year.

2. When the co-op’s financial condition permits, your board of directors decides to return the allocated capital credits.

3. Your co-op allocates the margins to members as capital credits based upon their use of electricity during the year.

Financial condition of the Cooperative will not be adversely affected and that all mortgage requirements are met.

If you, as a member-owner, receive an allocation notice for 2017 or any prior year, please keep the Cooperative informed of any address changes. This will enable the Co-op to issue you a check, or credit to your bill, when the Board does approve capital credit retirements (payment) associated with your allocation.

Please call Shenandoah Valley Electric Cooperative at 1-800-234-7832 if you have any questions regarding your Equity Allocation notice.

SHENANDOAH VALLEY ELECTRIC COOPERATIVE
P.O. Box 236
147 Dinkel Avenue – Hwy. 257
Mt. Crawford, VA 22841-0236
800-234-SVEC (7832)
Office Hours: M-F, 8 a.m.-4:30 p.m.
www.svec.coop

President and CEO
Michael W. Hastings

Board Chair
Gerald A. Heatwole

Local Pages Editors
Michael Aulgur and Kathleen Josephson

Writers
Cammie Tutwiler
Preston Knight

For all questions concerning advertising, contact Cooperative Living at 804-346-3344.

This institution is an equal opportunity provider and employer. SVEC supports our armed services and veterans in employment opportunities.

SVEC offices will be closed all day on Monday, May 28, in observance of Memorial Day.

Offices will re-open Tuesday, May 29.
SVEC Annual Meeting Reminder

Come to your Annual Meeting and take an active role in your Cooperative. This year, the meeting is on Thursday, June 14, at the James Madison University Convocation Center.

At Shenandoah Valley Electric Cooperative’s 2018 Annual Meeting, member-owners are electing their board of directors and learning about the Cooperative’s business for the year as set out in SVEC’s Bylaws.

Families can enjoy music and a delicious barbecue dinner. Kids can learn about safety and electricity and have a good time at the “Kids Zone,” which is designated for children ages 5-10. Our live safety demonstration will be on display outside to show the many protocols SVEC crews follow in finding and restoring service during an outage.

There will also be door prizes and gift certificates given. This year features two grand prizes: two $500 credits on the winner’s electric bill.

Only your local electric co-op makes every customer a member-owner of the business. Unlike other electric utilities, your co-op exists to make sure your needs are always met, not to make a profit. And since every electric co-op is locally owned and operated, your co-op is always there with you, reinvesting in your community. That’s why in an electric co-op, the people have the power.

Can’t Make It?

If you are unable to attend the Annual Meeting but are still interested in what will take place, you can live stream the event at www.svec.coop.

For the second year in a row, SVEC is partnering with WWPT, the Valley’s PBS affiliate based in Harrisonburg, for a live stream of the event. This is a great way to keep all member-owners informed.

Stay tuned for more details on YOUR Annual Meeting!

Know the warning signs of overloaded outlets:
• Flickering/BLINKING lights
• WARM or discolored wall plates
• Burning odor from receptacles
• Mild shock or tingle from appliances, receptacles or switches
• Frequently tripped circuit breakers

May is National Electrical Safety Month

plug into safety
When major storms are in the forecast, Shenandoah Valley Electric Cooperative (SVEC) stays in regular contact with the National Weather Service to determine what preparation is required.

In early March, history of sorts was made. Just before making the normal requested update from the weather service, a direct notification arrived. This was the first time that the service had proactively contacted the Cooperative about a weather event, which was a sign that the pending storm was sure to arrive as advertised.

“It doesn’t give you a good feeling when they are notifying you about a pending event,” SVEC System Operations Supervisor Bill Rees said.

Winter Storm Riley, as the storm was called, brought fierce winds and widespread outages from March 1-4. At its peak, SVEC had more than 10,400 member-owners out of service, late in the morning of Friday, March 2.

Through tireless efforts to quickly and safely restore service, all but eight people were back on by late in the evening of Sunday, March 4. Those final eight member-owners lived in a remote portion of Frederick County and were restored the following day.

“I was impressed by the tremendous around-the-clock effort of all of our employees over a four-day stretch. It was clear that the work we perform every single day contributed to quicker response times to widespread outages and also prevented additional outages in some areas,” said Greg Rogers, SVEC’s vice president of engineering and operations.

Total Team Effort

Crews fanned out across SVECs eight-county-and-one-city service territory to restore electricity, responding to reports of about 55 broken poles in the process. Extreme winds cause trees to fall into power lines and they can bring the added challenge of making the use of bucket trucks for restoration too dangerous for linemen.

In times of widespread outage events, it is standard protocol for linemen to rectify a situation affecting the most member-owners first before proceeding to smaller, isolated outages. In many cases, such as times like Winter Storm Riley, SVEC will provide temporary fixes to issues. This ensures that service is restored quickly and safely, but it does require a return trip for a more permanent solution.

“It has been quite some time since we have had a storm of that magnitude, but true to form, it is a little like riding a bike and everyone steps to the plate and reacts like they have done this every day,” Rogers said. “Our member-owners deserve exemplary response in situations like this, and that is what we strived to provide given the circumstances that the weather presented.”

SVEC line crews were not the only ones who dedicated time to serve
member-owners. Overall, 127 employees made up of outside personnel, Human Resources, Member Service Representatives (MSRs), system operators, engineers, information technology personnel, and public relations representatives contributed in some fashion.

Cooperative personnel from other departments were also on standby for additional phone support, and the number of contractors who worked outages, including both construction contractors and right-of-way contractors, totaled 75.

Manager of Member Services Barbara Frye said the cheerful attitude and willingness to help member-owners were on display from the MSRs who fielded calls.

“...It makes a world of difference when our member-owners can actually speak to a Cooperative MSR during extended outages. That is part of the Cooperative difference, and we are proud of the difference that we make for our member-owners, not only during storms and outages, but in providing outstanding member service every day,” she said.

**Mutual Aid**

Speaking of the Cooperative difference, among the seven guiding principles of cooperatives is No. 6, “Cooperation Among Cooperatives.” That was on full display during Riley.

Four employees of Inter-County Energy in Danville, Kentucky, arrived at 2 a.m. on March 3 to help with restoration efforts in Frederick County. They drove nine hours to reach the Valley.

“We’re all brothers in this electrical business,” Inter-County maintenance employee Larry Wheatley said. “We know what it is like to have these kind of tragedies, so when one of our fellow co-ops has trouble, we’re glad to jump in our vehicles and come up and try to help get the power back on.”

Once SVEC’s service restoration was complete, eight linemen traveled to Rappahannock Electric Cooperative in Virginia to assist with restoration there. They were Josh Hedrick, Kaleb May and John Hanger from the Staunton District; Josiah Sargent, Doug Napier and Rocky Anthony from the Rockingham District; and Brian Hazelwood and Matt Durbin from the Winchester District.

**Thank You**

SVEC wants to thank its member-owners for all of their kind words during the windstorm. Through email, social media, letters and face-to-face interaction, the Cooperative received countless comments. From employees in the office to those out in the elements, everyone greatly appreciates the support.

“I know there was some long duration of outages. The fact that the storm was so widespread played a major role with how long it took to get everyone back on,” said Justin Sherman, contract coordinator in the Winchester District. “I just want to thank our member-owners for their patience in supporting us and their thoughts and prayers while we were out working.”
University of Virginia Children’s Hospital

For serious health issues, Valley families have nearby option.

Story and photos by Preston Knight, SVEC Writer

The mention of rabies draws a smile from Anne Gordon every time.

When your 7-year-old son is stuck in a hospital bed for an extended period because of leukemia, she learned that one can find comic relief in the most unlikely places. For Anne, it was a reference to a far-less-concerning disease.

It was about 13 years ago when a family friend’s son, who was the same age as Anne’s son, Jack, informed his teacher that his buddy was terribly sick.

“I think he has rabies,” Anne, of Mount Sidney in Augusta County, says, recalling what the boy told the teacher. “When I heard that story, I thought my face was going to crack. That was the first time I had laughed since Jack was sick.”

Jack Gordon, Anne’s youngest of two children, is now 20 years old and cancer — and rabies — free. He is working toward a master's degree in accounting at James Madison University.

While the family’s nightmare of watching a child go through intense medical care is now past, the reason Jack survived remains at the forefront of their minds. It’s called the University of Virginia Children’s Hospital in Charlottesville.

“I’m so grateful. I’m so, so, so grateful for that hospital,” Anne says. “We’re just so fortunate to have that resource close to us.”

Jack Gordon is flanked by his parents, Garry and Anne, before his Senior Prom in Augusta County. The Gordons want Valley residents to know, and appreciate, the care available nearby at the University of Virginia Children’s Hospital, where Jack spent time for treatment for leukemia.

Raising Awareness

In late February, Anne and her husband, Garry Gordon, were among the hosts of a fundraising event for the hospital at the Valley Pike Farm Market in Weyers Cave. Anne is a member of the UVA Children’s Hospital Committee and its only representative from the Shenandoah Valley.

The Gordons contacted other families who have had long hospital stays in Charlottesville to help organize the event, which featured Dr. Daniel “Trey” Lee, who is renowned for his pediatric cancer research at UVA. Each family, in turn, then invited friends who they believed would be supportive of the mission to raise money for the hospital. About 60 people attended.

“I’m very unapologetic about asking for money,” Anne says.

She seeks to drive home two major points to anyone who will listen: You never know when a child or grandchild will need treatment for a serious illness or injury, and Charlottesville is not too far away for care.

The hospital has more than 123,000
Save the Date!

**SVEC Ribbon Cutting/Open House – New SVEC Rockingham Complex**

**Saturday, Sept. 8, 2018**

**Ribbon Cutting:** 2-3 p.m.

**Open House:** 3-5 p.m.

**Corner of Rte. 11 and Oakwood Drive**

(180 Oakwood Drive, Rockingham, VA)

Look for more information to follow!

pediatric visits annually, and more than 5,300 patient families drive two hours or more to receive care in Charlottesville. Throughout most of the Valley, and certainly in Gordon's home of Augusta County, that commute is much shorter.

"It is our children's hospital even though it is in Charlottesville," she says. "We're not trying to take business away from local doctors. We recognize kids are best served at home, but when the issue reaches a certain level, you've got to go to a place like that. There are so many people here with children who have been saved."

**Blessings in Disguise**

Jack, then a first-grade student who enjoyed playing baseball, woke up in the middle of the night complaining of leg pain after a game. It was unlike any ailment the Gordons had seen in their son before, but with a history of bad backs in the family, they figured something hereditary was in play.

They visited their pediatrician and started Jack on muscle relaxers and pain medication. The next day, though, the severity of the pain had not subsided, and the same doctor sent the family to Charlottesville. Jack was admitted on a Saturday and by Tuesday was diagnosed with acute lymphoblastic leukemia. He stayed for two weeks.

Over the next two and a half years of treatment, he had to stay a total of six weekends in Charlottesville. He actually seemed to enjoy the experience, which speaks to the accommodating nature of the staff, his mother says.

"The very last weekend we knew he had to be there, he was probably 9, and he says, 'Maybe I'll get sick again so I can come back,'" she says. "What a blessing that this was his memory of it."

Jack was declared cancer-free following treatment and has had no problems since, but the hospital will check him annually until he's 25.

"You take it one minute at a time sometimes, but it came with a lot of blessings," Anne says. "We don't get bogged down by little things. If nobody's dead, nobody's dying, we can get through it. The only things that matter are love and health, when you come down to it."

**New Transplant Unit**

Now is a particularly exciting time for UVA Children's Hospital. Dr. Lee, who arrived in Charlottesville from the National Institutes of Health, is taking the lead in preparing the opening of a new bone-marrow transplant unit, which is expected to open in the coming months.

In an article for Physician Resource, a news-and-information website of the University of Virginia Health System, he says, "We believe that Virginians of any age who need a bone-marrow transplant should not have to leave the state."

Lee is also researching an investigational immunotherapy that involving programming a patient's own immune systems to fight their cancer. The new therapy is intended to treat brain tumors, too.

"This is truly a new frontier," Lee said at the Valley Pike event in February. "This is new hope for them."

UVA is the only place in the commonwealth where this investigational therapy is offered, according to the hospital.

"The best cancer institutions in the country combine excellent clinical care, clinical research and basic science research and invest in all the support infrastructure needed to run these programs well and treat very complicated patients," Lee says in the Physician Resource article. "In my view, UVA is part of that group."

You will hear no argument from Anne.

"It is such a great resource. I hope that someone's kids and grandkids never have to go there, but if there is a serious illness or injury, that is where they are going to go," she says. "That is our children's hospital."

For more information on how to support University of Virginia Children's Hospital, please contact Polly Hunter, director of development, at 1-800-297-0102, or visit healthfoundation.virginia.edu.
Thousands of Meals Donated from Food Drive

 Shenandoah Valley Electric Cooperative (SVEC) wants to thank all of its member-owners who contributed to the recent food drive benefitting the Blue Ridge Area Food Bank. Your generosity led to 2,147 pounds of donated food, which equals 1,789 meals. Thank you!!!

 The Cooperative believes strongly in supporting the communities that it serves, and is happy to serve as facilitator for these efforts, but you, the member-owners, deserve much of the credit for making this year’s food drive such a success. Blue Ridge Area Food Bank serves 25 counties and eight cities, providing food to 114,400 people each month.

 The food from SVEC’s drive will serve those in need from the food bank’s Verona headquarters and Winchester branch.

 Once again, thank you to everyone who participated! For more information on the Blue Ridge Area Food Bank, please visit www.brafb.org.

CALL 811 MISS UTILITY BEFORE YOU DIG!

If planning to do any kind of yard work around your home that involves excavation, please make sure you are careful when you perform the action, and please plan ahead by calling Miss Utility before you dig.

Knowing the location of the various lines, including electric, gas, communication, water, sewer, irrigation and others, is important for your safety and convenience.

Contact the appropriate number, which is 811 (also known as Miss Utility) — this is a free service, and the company will come out and mark your property, using either flags or a special spray paint to designate underground utility infrastructure. Please visit va811.com for more information. Safety is always first, for you and your families.

Don’t forget to proceed with CARE before you dig. Call Miss Utility before you dig. Allow required time for marking. Respect the marks. Excavate carefully.

If you have any questions, please call Shenandoah Valley Electric Cooperative at 1-800-234-7832 for more information.

<table>
<thead>
<tr>
<th>January and February Major Outages</th>
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<tbody>
<tr>
<td>Jan. 13</td>
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<tr>
<td>760 members out for 2.75 hours</td>
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<tr>
<td>Off right-of-way trees</td>
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<tr>
<td>Jan. 18</td>
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<tr>
<td>1,500 members out for 2.5 hours</td>
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<tr>
<td>Equipment failure</td>
</tr>
<tr>
<td>Jan. 23</td>
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<tr>
<td>900 members out for 2.5 hours</td>
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<tr>
<td>Off right-of-way tree</td>
</tr>
<tr>
<td>Feb. 11</td>
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<tr>
<td>1,200 members out for 45 minutes</td>
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<tr>
<td>Equipment failure</td>
</tr>
<tr>
<td>Feb. 15</td>
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<tr>
<td>1,450 members out for 45 minutes</td>
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<tr>
<td>Protective device on sensitive setting to protect workers</td>
</tr>
<tr>
<td>Feb. 20</td>
</tr>
<tr>
<td>1,450 members out for 1 hour</td>
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<tr>
<td>Protective device on sensitive setting to protect workers</td>
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On March 7, 2018, Shenandoah Valley Electric Cooperative (“SVEC” or “Cooperative”) filed with the State Corporation Commission ("Commission") an application pursuant to § 56-247.1 A 7 of the Code of Virginia requesting approval of a new proposed voluntary tariff, Schedule PES (“Prepaid Tariff”), to allow certain residential customers to establish and maintain a prepaid balance for their electric service ("Application"). The Cooperative also proposes the addition of a new Appendix B to its Terms and Conditions of Service to address SVECs prepaid electric service.

The Cooperative indicates that the Prepaid Tariff would be available to certain residential customers at their option who wish to establish and maintain a prepaid balance with SVEC for their electric service. The Cooperative states that the Prepaid Tariff is not universally available and that the following customers would not be eligible to participate:

1. customers who have a serious medical condition,
2. customers who receive service under Schedule NEM – Net Metering, and
3. customers signed up for Levelized Billing (budget billing).

The Cooperative represents that customers taking service under the Prepaid Tariff will pay the same rate as any other customer served under its Residential Service, Schedule A-11, however, Prepaid Tariff customers will not be subject to fees associated with the disconnection or reconnection of service.

SVEC states that the Prepaid Tariff will allow customers to establish a prepaid balance on their account with a minimum payment of $50 prior to receiving service. The Cooperative indicates that it will make an account calculation after each daily meter reading and after each payment is applied to the Prepaid Tariff customer's account. SVEC states that, at the customer's request, the Cooperative will contact the customer by electronic mail, text message, or an automated telephone call whenever the prepaid balance drops below a prescribed level set by the customer or a minimum of five days estimated electric service usage. SVEC represents that it will continue to make daily notifications until the prepayment balance exceeds the predetermined notification level or reaches zero. The Cooperative states that, at the time that a customer's balance reaches zero or below, the Cooperative will issue a notification of pending service suspension if payment sufficient to re-establish a positive balance is not received by 9 a.m. the next business day.

SVEC states that it will not mail bills to customers receiving service under the Prepaid Tariff. In addition to receiving notice when the prepayment balance falls below the predetermined notification level, the Cooperative indicates that customers will be able to check their balance online at SVECs e-business portal and at 24-hour kiosks located in SVECs offices.

In support of its Application, the Cooperative states that the proposed Prepaid Tariff will provide several benefits to customers, including the ability to avoid customary deposit requirements, the ability to pay for their service in multiple smaller payments throughout the month, and a better understanding of their daily usage patterns, which will likely encourage conservation. SVEC also asserts that the Prepaid Tariff will be beneficial to the Cooperative by reducing administrative costs associated with the collection and deposit processes, improving the cash flow position of the Cooperative by receiving payment in advance of service, and eliminating the cost of generating and mailing paper bills to Prepaid Tariff customers.

Interested persons are encouraged to review the Application and supporting documents for the details of this proposal. TAKE NOTICE that the Commission may adopt fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Cooperative to provide notice to the public and provided interested persons an opportunity to comment on and request a hearing on the Cooperative’s Application.

The public version of the Cooperative's Application, as well as the Commission's Order for Notice and Comment, are available for public inspection during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Cooperative, Timothy E. Biller, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, VA 23219. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case are also available for interested persons to review in the Commission’s Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, VA 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: www.scc.virginia.gov/case.

On or before June 12, 2018, any interested person wishing to comment on the Cooperative's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, VA 23218-2118. Any interested person desiring to file comments electronically may do so on or before June 12, 2018, by following the instructions on the Commission's website: www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00041.

On or before June 12, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Cooperative at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUR-2018-00041. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before June 12, 2018, any person may request a hearing on the Cooperative's Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth below. Requests shall include: (i) a precise statement of the interest of the filing party; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in the matter. Persons filing a request for hearing shall serve a copy of their request upon SVEC at the address set forth above.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall complyfully with the requirements of VAC 5-20-150, Copies and format, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at www.scc.virginia.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Comment may be obtained from the Clerk of the Commission at the address above.

www.svec.coop