



Shenandoah Valley Electric Cooperative News

A Touchstone Energy® Cooperative 



Understanding SVEC's Boundary Lines

Have you ever wondered why you receive electricity from Shenandoah Valley Electric Cooperative (SVEC) and not another electric utility provider? Or, why your neighbor receives electricity from us but you don't?

These "territories" are a result of a basic regulatory compact that has existed since the introduction of electric service in the early 1900s, according to Ken Schrad, director of division of information resources for the State Corporation Commission (SCC).

"An electric utility company or an electric cooperative (or a municipal electric system) is permitted the exclusive right to provide electric service in a defined geographic area," he said. "In return, the utility had the obligation to provide service to any customer willing to pay the regulated rate established by the SCC."

Electricity distribution is a service provided with a regulated rate to ensure that the price paid by customers is "just and reasonable."

"The capital-intensive nature of providing electric service make it logical to be a regulated monopoly," Schrad said. "It simply does not make economic sense to have multiple companies putting up electric facilities to serve customers on a competing basis."

Electric cooperatives were created in the 1920s and 1930s to bring electricity to rural areas of Virginia, reaching areas where investor-owned electric companies did not extend service. In general, those basic geographic boundary lines still exist today.

However, that does not mean that boundaries never change. Schrad said that occasionally, the Commission receives applications to amend service territory certificates.

"If one company is not willing to surrender its existing service territory to another electric service distribution company, the matter becomes much more complicated," he said. "Someone would have to prove to

the Commission that the existing utility is not providing adequate and/or reliable service. And, even before making such a finding, the utility would have the opportunity to correct any issue regarding the quality of service being provided."

There are also instances when boundary changes occur with no dispute. In these cases, paperwork is filed with the SCC from the parties involved, and after review, the SCC issues an "order for revision of certificate," which adjusts the boundary line.

An example of this kind of boundary change occurred in 2010, when the SCC approved the transfer of the service territory of Allegheny Power, legally named as The Potomac Edison Company in Virginia, to SVEC and Rappahannock Electric Cooperative. As a result of this acquisition, SVEC's service area grew from four counties to eight, plus the city of Winchester, and the Cooperative's number of meters served increased from about 39,000 to the 93,000 today. SVEC now serves Augusta, Frederick, Clarke, Highland, Page, Rockingham, Shenandoah and Warren counties; and the city of Winchester.

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SVEC Holiday Office Closings

SVEC offices will close at noon on Wednesday, Nov. 21, and be closed all day Thursday, Nov. 22, and Friday, Nov. 23, for Thanksgiving.

For the Christmas holiday, SVEC offices will be closed all day Monday, Dec. 24, and Tuesday, Dec. 25.

SVEC offices will also be closed all day Tuesday, Jan. 1, for New Year's Day.