



# Shenandoah Valley Electric Cooperative

A Touchstone Energy® Cooperative



***Powering a Bright Future***



**Shenandoah Valley  
Electric Cooperative**

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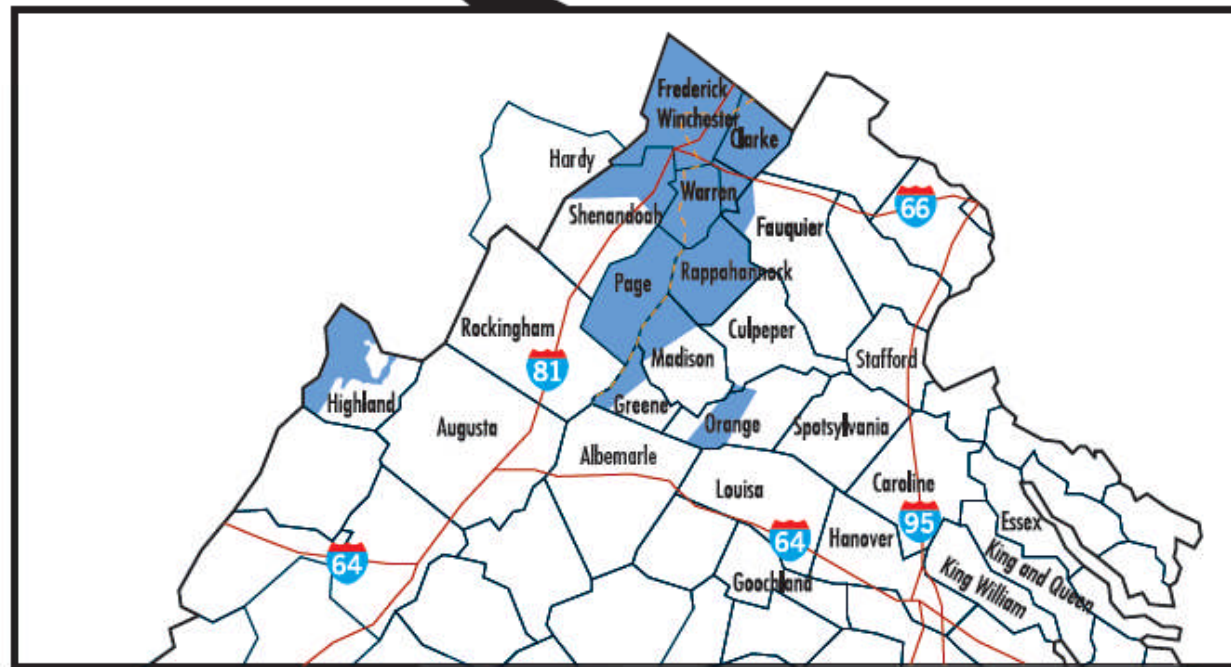
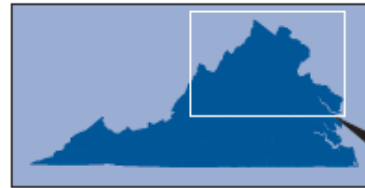
# A Look at Shenandoah Valley Electric Cooperative

	<b>2009</b>	<b>Future</b>
<b>Service Area</b>	<b>4 counties</b>	<b>8 counties</b>
<b>Meters</b>	<b>39,503</b>	<b>91,000</b>
<b>Miles of Line</b>	<b>5,233</b>	<b>7,600</b>
<b>Meters/Mile</b>	<b>7.5</b>	<b>11.5</b>
<b>Employees</b>	<b>117</b>	<b>195</b>
<b>Revenue</b>	<b>\$91.82 million</b>	<b>\$231.4 million</b> <i>(projected)</i>



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# Allegheny Power Current Service Territory



■ Allegheny Power Service Area  
- - - - - Division of Service Area

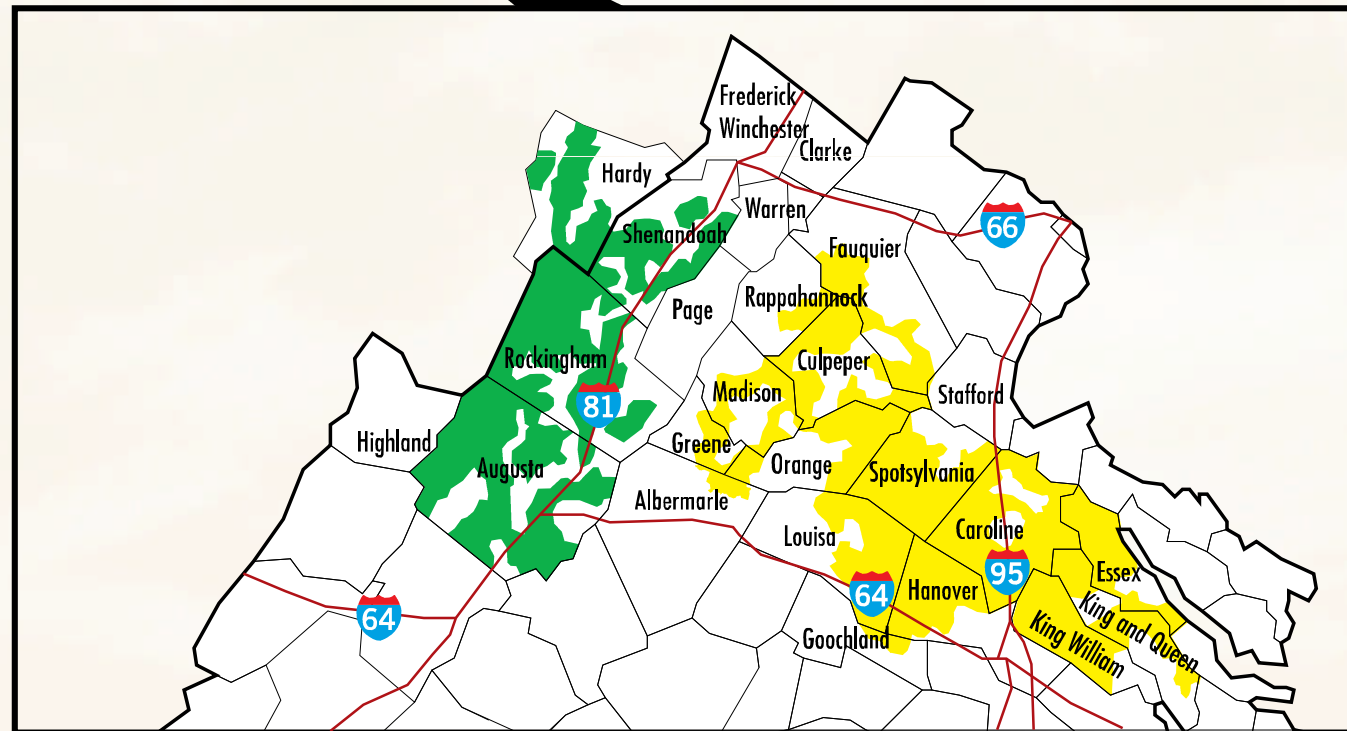
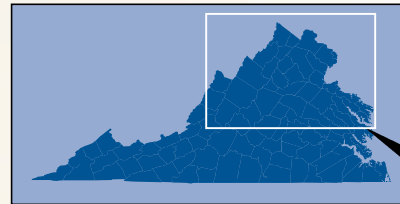


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# REC and SVEC Current Service Territory



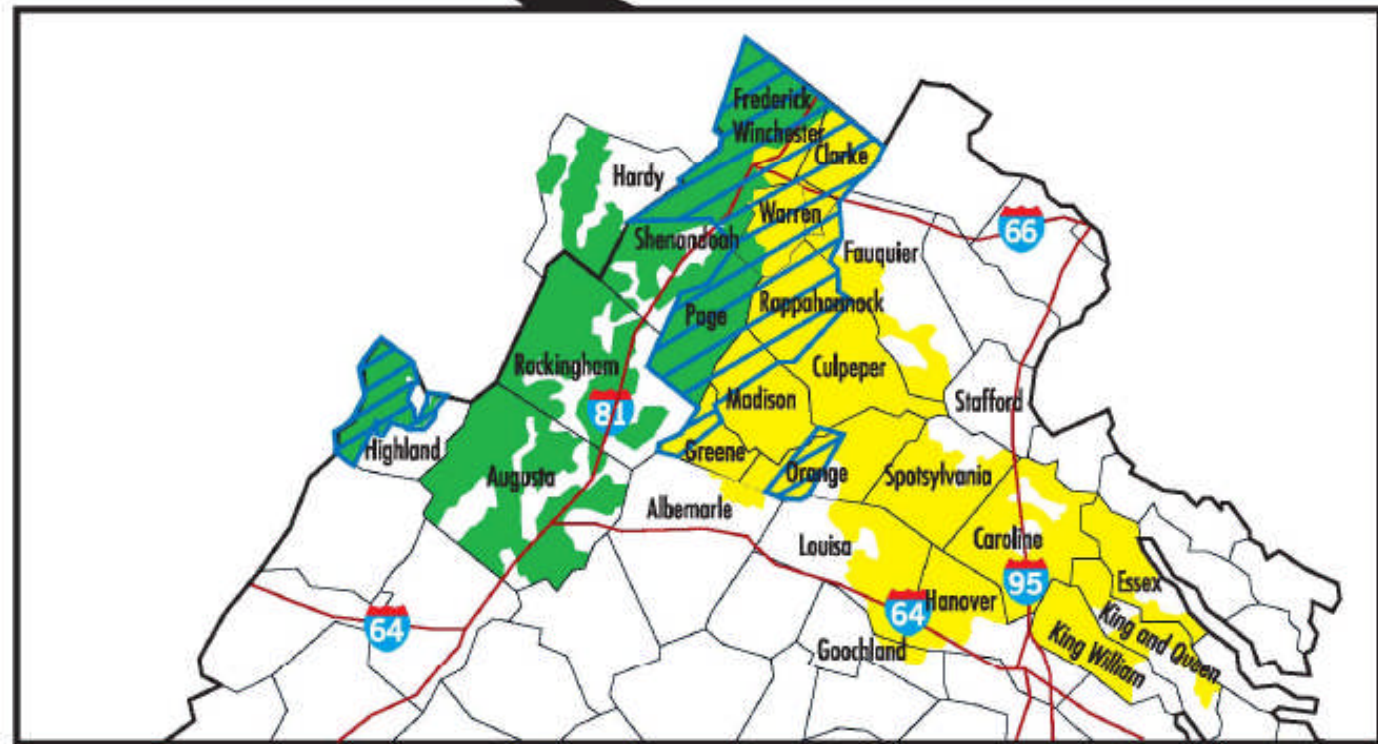
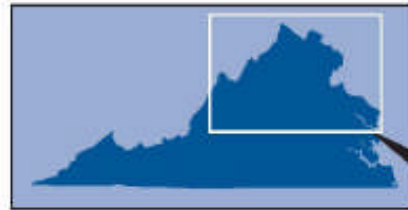
■ Current Rappahannock Electric Cooperative (REC) Service Area  
■ Current Shenandoah Valley Electric Cooperative (SVEC) Service Area



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# Newly Defined Territories As Proposed



- Future Rappahannock Electric Cooperative (REC) Service Area
- Future Shenandoah Valley Electric Cooperative (SYEC) Service Area
- Allegheny Territory



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# **Why This Investment?**

## *It's a Natural Fit*

- **Geography**
- **Increased “economies of scale”**
- **Well positioned for integration**
- **Familiarity of system**
- **Co-op owned generation will contribute to stabilized rates**
- **Keeps dollars in Virginia**



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# **What This Means for the Future?**

## **Commitment to:**

- **Continued reliable electric service**
- **Innovative solutions**
- **Stability**
- **Member services**
- **Representation on the Board**
- **Community involvement**



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# About Rates

## Cooperatives will honor “Stipulation”

- **Negotiated agreement between Allegheny, Attorney General, SCC and consumers**
- **Schedule and formula for rate changes now – June 2011**

## Now through June 2011

- **No Change to Rates for Delivery & Basic Generation**
- **Scheduled Changes to Purchased Power Adjustment (PPA)**
  - Discounted purchase price of wholesale power
  - Discounts phase out
  - Discounts end completely June 30, 2011





# Rates After July 2011

## Allegheny

- Power supply totally dependent on wholesale market
- No control over generation costs
- Annual rate changes based on market price

## Cooperatives

- At-cost power supply from cooperatively-owned wholesaler
  - 2 base load plants
  - 3 “peaking” plants
  - Supplemented by market
- Gradual Wholesale Power Cost Adjustments (WPCA)
  - Changes up or down in cost of owning & operating plants
  - Recent downward trend
- Stability



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# *Questions*

June 2009



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***Thank You!***