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Rappahannock Electric Cooperative To Build Blue Ridge District Office At Kelley Industrial Park

November 4, 2009, Front Royal, Virginia: The Economic Development Authority announced today that Rappahannock Electric Cooperative (REC) is purchasing the LeHew building and acreage at Kelley Industrial Park to create its Blue Ridge District Office.

The 30,000 square foot building includes office and warehouse space on twelve acres of land. REC will bring 45 jobs, retaining a number of existing Allegheny Power jobs, while creating other positions to serve its new members. REC plans to invest \$5.5 million. Jeff LeHew, President of Via Satellite, is in the planning stages of building a similar facility on adjacent acreage at Kelley Industrial Park.

In May, 2009, Allegheny Power announced that its subsidiary, Potomac Edison Company, intends to sell its electric distribution operations in Virginia to Rappahannock Electric Cooperative and Shenandoah Valley Electric Cooperative. The anticipated closing date for the acquisition is May 1, 2010.

Both Rappahannock and Shenandoah Valley are member-owned, not-for-profit utilities. Rappahannock provides electric service to 103,000 connections in parts of 16 Virginia counties, and maintains more than 12,500 miles of power lines through its service area, ranging from the Blue Ridge Mountains to the mouth of the Rappahannock River. Shenandoah maintains over 5,239 miles of electric lines and serves more than 39,000 customer accounts in the Virginia counties of Augusta, Rockingham and Shenandoah, and Hardy County in West Virginia.

“This is a significant event that will provide many benefits,” said Kent D. Farmer, President and Chief Executive Officer of Rappahannock Electric Cooperative. “Our members will enjoy greater rate stability in the long term, and we will gain additional well-trained and highly qualified field employees. Additional jobs will create new opportunities for our employees and communities.”

The Cooperative services a variety of residential, commercial and industrial accounts with a member base of homes, commercial developments, agricultural enterprises and manufacturing companies. Bear Island Paper Company, the second largest consumer of electricity in Virginia, is served by REC. “We also provide the electricity to such familiar names as Kings Dominion and the new location for Virginia’s State Fair,” said Farmer.

“REC is involved with a number of initiatives including safety demonstrations, college scholarships, youth education programs, and school presentations. And, we

work with volunteer organizations, community groups and civic clubs,” said Ann Lewis, Director of Public Relations at REC.

Each August, REC holds an annual meeting at which the member-owners meet with the management staff, review the past year’s accomplishments, and elect directors.

Rappahannock Electric Cooperative was formed in 1980 with the consolidation of two cooperatives, Virginia Electric Cooperative in Bowling Green and Northern Piedmont Electric Cooperative based in Culpeper. Today, REC maintains the largest service area of any of the 13 electric cooperatives in Virginia.

“We look forward to welcoming another community-oriented organization to our County,” said Patty Wines, Chairwoman of the Economic Development Authority. “In addition to their investment and job creation, we believe Rappahannock will be a good corporate neighbor,” she said.

“We are happy to have Rappahannock establish their corporate presence, make an investment, and create jobs in Warren County,” said Jennifer McDonald, Executive Director of the Economic Development Authority.

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