



MEDIA RELEASE

Contacts:

Vivian Michael
Shenandoah Valley Electric Cooperative
Manager of Corporate Services, HR & PR
(540) 574-7248
vmichael@svec.coop
www.svec.coop

Rhonda F. Curtis
Rappahannock Electric Cooperative
Manager of Customer Services and Public Relations
(540) 891-5881
rcurtis@myrec.coop
www.rec.coop

Myron Rummel
Shenandoah Valley Electric Cooperative
President & CEO
(540) 574-7260
mrummel@svec.coop
www.svec.coop

Cooperatives Announce Plan to Serve Potomac Edison Consumers

Acquisition will provide long-term rate stability

Mount Crawford and Fredericksburg, Virginia – May 5, 2009 – Two not-for-profit electric cooperatives, Shenandoah Valley Electric Cooperative based in Mount Crawford, VA and Rappahannock Electric Cooperative based in Fredericksburg, VA have announced plans to provide electric service to Potomac Edison's (PE) Virginia consumers. According to the Cooperatives, the plan proposed will provide rate stability for PE's current customers.

PE consumers will benefit from the Cooperatives' focus on local distribution service and not-for-profit, member-owned business structure. Both Cooperatives have more than 70 years of experience serving rural and suburban members and are well known for their commitment to the communities and member-owners they serve. The Cooperatives will benefit from improved economies of scale, increased ratio of meters-per-mile of line, and the addition of well-trained, experienced, and highly qualified employees.

"We look forward to serving these members. PE's service area is a natural fit for the Cooperatives as we already serve the lower valley and Northern Piedmont regions," said Myron Rummel, Shenandoah's president and chief operating officer. "We see this arrangement as a tremendous benefit to both our existing members and the customers who will become member-owners," added Kent D. Farmer, Rappahannock's president and chief operating officer. "As Cooperatives, our first responsibility is to our member-owners. If this wasn't good for everyone involved, we wouldn't be doing it."

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The proposed acquisition by the Cooperatives has to be approved by the Virginia State Corporation Commission (SCC), which regulates Virginia's electric distribution companies. In 2008, the SCC directed PE to develop and submit for approval a plan for meeting the long-term energy needs of its Virginia customers. The Cooperatives can meet those needs through their wholesale power supplier, Old Dominion Electric Cooperative, which has generation facilities in Virginia.

Currently, PE's service territory covers portions of 14 counties in Virginia's northern valley region. The company has approximately 6,000 miles of line and serves 102,000 connections, with the largest concentration being in Frederick County and the City of Winchester.

About Shenandoah Valley and Rappahannock Electric Cooperatives

Both Shenandoah and Rappahannock are member-owned, not-for-profit utilities. A board of directors elected by its respective customers governs each Cooperative, thereby giving member-owners a voice in the leadership of the Cooperatives. All profits are allocated back to the member-owners based on patronage.

Shenandoah Valley Electric Cooperative maintains over 5,239 miles of electric lines and serves more than 39,000 customers in the Virginia counties of Augusta, Rockingham and Shenandoah, and Hardy County in West Virginia. For additional information about SVEC please visit our Web page at www.svec.coop.

Rappahannock Electric Cooperative provides electric service to 103,000 connections in parts of 16 Virginia counties. With its general office in Fredericksburg, VA, Rappahannock 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. For information about REC please visit our Web page at www.myrec.coop.

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