

I haven't been a customer for many years. How long will it take for me to get the whole balance?

It's impossible to say for sure. The board of directors frequently evaluates the Cooperative's capital credit policy. The unreturned capital credits provide the Cooperative with needed infrastructure capital that assures financial stability. According to NOVEC bylaws, the only time all **CASHBACK** credits must be paid is if the Cooperative dissolves (goes out of business).

If it's my money, why can't I have it all now?

When you apply for electric service with NOVEC, you sign an agreement to be bound by all policies, procedures and bylaws of the Cooperative. According to NOVEC bylaws, the only time all **CASHBACK** credits must be paid is if the Cooperative dissolves (goes out of business). The board of directors may decide to return some of the credits before that time if they feel the Cooperative's financial condition won't be impaired by doing so. **CASHBACK** cannot be paid until the board makes a decision to retire all or part of the credits for a particular year.

What if I moved away, and have unclaimed **CASHBACK** refunds?

CASHBACK refund checks are mailed to former members at their last address on file with NOVEC. With every mailing, the U.S. Postal Service returns some of those checks as undeliverable. That's why we encourage former customers to update NOVEC with future address changes. A list of unclaimed checks is at www.novec.com/CashBack. Names on this list can claim their **CASHBACK** refund by submitting the form accompanying the Web list, or by calling customer service at 703-335-0500 or toll-free 1-888-335-0500.

Visit www.novec.com

to view the Unclaimed CashBack Refund List

or contact

NOVEC's Customer Service Center

703-335-0500 or toll-free 1-888-335-0500

7 a.m. to 6 p.m. Monday-Friday

CASH BACK



Capital Credits

Lomond Business Center

10323 Lomond Drive

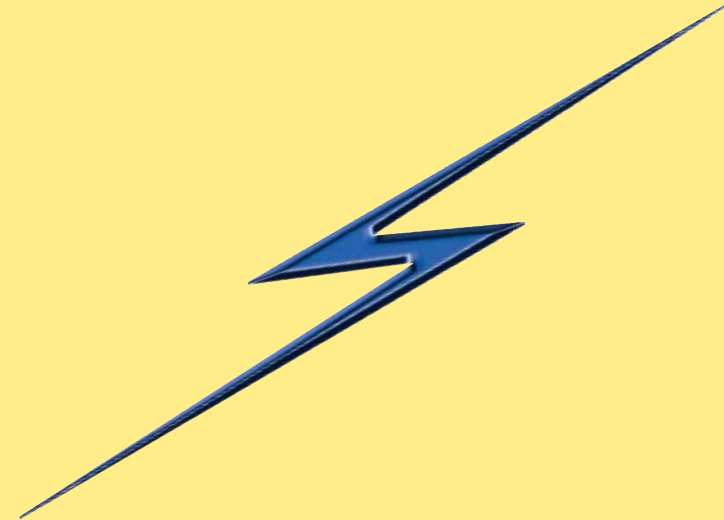
Mailing Address:

P.O. Box 2710

Manassas, VA 20108-0875

703-335-0500 or 1-888-335-0500

www.novec.com



NOVEC

Use It Wisely



NOVEC

Use It Wisely





CASH → BACK

When you signed up to receive electricity from NOVEC, you automatically became an owner of the Cooperative. All NOVEC assets — even the poles and wires — are owned by its customers, including you.

CASH → BACK margin refunds are unique to the cooperative business model and an added value for our customer-owners. NOVEC is pleased to provide customers quality electric service and a share of the profits. **CASH → BACK** — a powerful name for a powerful program.

Like any business that has a good year, NOVEC earns margins, *i.e.*, profits. But that is where the similarity with other business models ends. While profits or margins for other companies go primarily to stockholders who may or may not be customers, NOVEC's margins belong exclusively to its customer-owners.

From time to time, NOVEC returns these margins to customers in the form of **CASH → BACK** refunds. NOVEC's customer-elected board of directors approves all refunds, ensuring local accountability. The amount of the return is based on the financial health of the company.

What are capital credits?

Capital credits, also known as **CASH → BACK**, represent your individual portion of the Cooperative's net profits, which are shared by all NOVEC customers. Because NOVEC is a not-for-profit business, all revenues over and above the cost of conducting business each year are retired or allocated back to Cooperative customers. These retirements are called capital credits or **CASH → BACK**.

How will I receive my **CASH → BACK**?

Current customers receive a credit on their bill. There will be a **CASH → BACK** line item on the billing statement. Former customers no longer on the NOVEC system are mailed a check with a notice attached to it. The notice will indicate the year for which the refund applies. Checks are not issued to former members in amounts less than \$5.

How much will I be paid?

Customers receive a set percentage of the board-approved returns. The percentage is based on each customer's bills from the previous year. Therefore, only customers who were NOVEC customers the prior year will receive **CASH → BACK**.

When will I be paid?

General Payment (current and former customers): While refunds are not guaranteed, general **CASH → BACK** payments have been made to current and former customers throughout the Cooperative's history and every year since 1992. General refunds usually are made in the late summer or early fall. Current customers likely will see this credit adjustment on August or September bills. Former customers will be mailed a check.

Special **CASH → BACK** (current customers only): NOVEC's board of directors may also elect to make special **CASH → BACK** payments at other times during the year. These payments are for current customers only and appear as a credit on the monthly electric bill.

I have many current sub-accounts. How is my **CASH → BACK** credit applied?

Our computer program begins with the lowest numbered account (-000) and works its way up (-001, -002, etc.). If the lowest numbered account has a bill due, then **CASH → BACK** credits are applied to that account up to the amount of the bill. If there is still an amount left over to be applied, then the program looks to the next higher number. This process continues until the amount to be paid is used

up. If there is more to be applied than bills to be paid, then the highest numbered account receives the remainder.

If this retirement is only returning a percentage of my balance, what happens to the rest of it?

A portion of **CASH → BACK** credits are re-invested in the Cooperative to build and repair lines, improve system reliability, and help us provide better service to you. Using these funds for operating costs offsets the need to borrow money. By not having to pay the interest for borrowed money, NOVEC can keep its costs down and retire more **CASH → BACK** credits in future years.

Who decides how much **CASH → BACK** credits are returned or invested each year?

The board of directors determines how much to return to customers and how much to re-invest in the Cooperative. NOVEC directors are elected by NOVEC customers at the annual meeting to ensure local accountability. The *Cooperative Living* magazine, mailed monthly to each customer, contains election, candidate, and annual meeting information.

