

Wholesale Power Costs Continue to Rise

What NOVEC is doing to reduce them.

The rising cost of wholesale power is a major concern and focus of the NOVEC Board of Directors and management team. In previous articles (April and May 2007, available at our Web site newsroom) we explained where we purchase our power and why the cost has risen so dramatically. Not content to stand idly by, NOVEC has actively sought to gain the flexibility necessary to provide our customers with competitively priced electricity. Our efforts over the past 10 years are summarized below.

Obligated to Our Customers

Ten years ago wholesale power cost was less than 66 percent of our operating expense. It is now in excess of 81 percent, which explains the concern of NOVEC's board and management team. Under the terms of our power-supply contract, and under the bylaws that govern voting control at Old Dominion Electric Cooperative (our power supplier), more than four-fifths of our expenses are, essentially, out of our control.

Our current all-requirements power-supply contract with ODEC does not expire until 2027. However, we feel strongly that our primary obligation is to supply electric power to our customer-owners at a competitive price. Accordingly, we initiated negotiations with ODEC in 1997 to restructure our wholesale power contract, allowing us to look elsewhere for some of our power supply.

We believe that restructuring the current wholesale power contract can be mutually beneficial. "It is only fair to our customers that we pursue lower-cost power that may be available from other wholesale suppliers," Stan Feuerberg, NOVEC president and CEO, commented. He explained that since we are the largest of the 12 electric-distribution cooperatives who own ODEC, and our electric load is growing faster than the other members, it would make economic sense for the others to allow NOVEC the opportunity to supply its own growth requirements.

"NOVEC has stipulated repeatedly that it will pay for its

share of ODEC's existing resources. We think it is a classic win-win situation for both parties," Feuerberg emphasized. Unfortunately, the others have not viewed the situation in the same light.

FERC Involvement

In January 2006, as negotiations with ODEC stalled, NOVEC petitioned the Federal Energy Regulatory Commission (FERC) to exercise its authority under section 206 of the Federal Power Act to reform (*i.e.* restructure) our current wholesale power contract with ODEC to allow us to obtain new power resources from competitive suppliers. As part of the request, NOVEC reaffirmed its commitment to continue paying its share of existing ODEC power resources. However, in early March 2006, FERC denied this request. In September 2006, FERC denied NOVEC's petition for a rehearing, the first step in the appeal process. Since then, NOVEC has appealed FERC's denials to the U.S. Circuit Court of Appeals for the D.C. Circuit. NOVEC's brief was filed in May, and we are awaiting the court's decision on whether oral arguments will be heard.

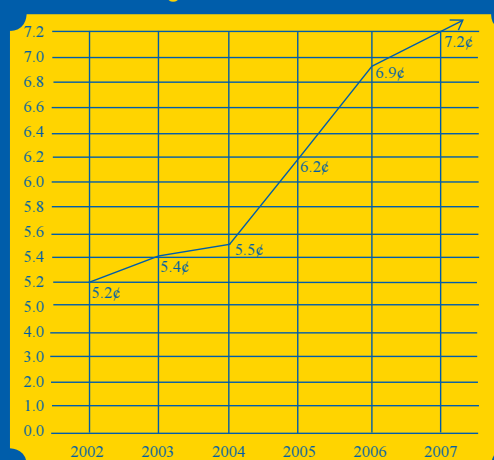
"I am disappointed by FERC's decisions not to even allow NOVEC the opportunity for a hearing on the issue of contract

reformation," Feuerberg commented. "There is case law that requires FERC to be sensitive to the financial impact upon retail customers caused by high energy prices; these denials seem to sidestep that responsibility," he said.

"Regardless of how the appeal turns out, our efforts have been motivated by one, and only one, goal – to fulfill our responsibility to our customer-owners to look for ways to reduce costs for them."

Feuerberg added, "Despite the frustrations of the negotiating process with ODEC and the FERC denials, NOVEC's board and staff firmly believe in our mission to provide you with the most competitive rates possible. We will keep you updated on our efforts to secure competitively priced power for all of our customers."

Increasing Wholesale Power Cost



NOVEC Cost of Power from ODEC (Cents/kwh)



Serving Our Country - A Tradition at NOVEC

By Sarah Smarrelli

Service to the community has long been a tradition for NOVEC and its employees. When the community calls, going the extra mile is part of our commitment to value and reliability. But a few of us go much further. Gerald Gardner is going an extra 6,237 miles because his country called.

A line technician in the construction department, Gardner is serving the worldwide community through his deployment to Iraq. As a staff sergeant with the Army National Guard, Gardner's primary mission will be guarding convoys on the border between Iraq and Kuwait. His deployment orders are for a 400-day tour of active duty; but of course, this time frame could be extended. This is actually Gardner's second deployment; he also served one year in Afghanistan before his employment at NOVEC. Throughout his military career, Gardner has received numerous recognitions, including the Meritorious Service Medal and the Global War on Terrorism Service Medal.

After two months of training in Mississippi, Gardner will leave the United States in late summer, leaving behind not only his fellow NOVEC employees, but also two young children. In his absence, other employees and contractors will fill in to complete his work assignments.

"We have already felt the impact of Gerald's absence, but his coworkers are honored to fill in while he serves our country," commented Skip Hollcroft, construction manager. "He's been with NOVEC a relatively short time, just over two years, but he's made a tremendous impression on everyone with his positive attitude and dedicated work ethic."

In addition to Gardner, many other NOVEC employees have served in the past or are currently serving their country through the military. Here is a partial list:

Name	Branch	Service	Last Rank	Completed
Abel, Roger	Army Reserve		Specialist 5	1997
Barbee, Allen	Army	Vietnam Era	Specialist 4	1972
Blaylock, Kenny	National Guard		E-5	1976
Britton, Al	Marine Corps	Vietnam	Lieutenant Colonel	1988 (retired)
Bunek, Robert	Army	Vietnam Era	Specialist 5	1968
Butz, Bob	Army	Vietnam Era	Specialist 5, E-5	1971
Cassell, Kent	Air Force		Sergeant	1984
Cebula, Ronnie	Army		Specialist 4, E-4	1968
Glikas, Gus	Air Force	Vietnam	Sergeant	1970
Greene, Monty	Army	Vietnam Era	Sergeant, E-5	1971
Hash, Steve	Air Force		Master Sergeant	2001 (retired)
Hoffman, Carl	Marines	Gulf War I Era	Gunnery Sergeant	1997 (retired)
Jackson, Robert	Army	Vietnam	Staff Sergeant	1976
Kilmer, John	Navy	Vietnam Era		1973
Lawson, Chris	Army	Vietnam & Cambodia	Captain	1995 (retired)
Lillis, John	Navy		E-5	1976
Mitchell, Jim	Army	Vietnam	Specialist 5, E-5	1968
Mynhier, James	Marine Corps		E-5	2005
Perez, Chris	Marine Corps	Desert Storm, Somalia	Corporal, E-4	1995
Rion, Ken	Navy	Iraq/Iran War - 1980-81 Grenada - 1983	STG1 E-6	1983
Rion, Ken	VA Army National Guard	Gulf War I Era	Staff Sergeant, E-6	1996
Sellers, Keith	Air Force		Senior Airman	2002
Ward, Marvin	Air Force	Korea Era	Airman 1st Class	1958
Weaver, Tony	Navy		IC3 E-4	1972
Weirich, David	Air Force, Army NG		Specialist 4, E-4	Active
West, Roger	Army	Vietnam	Drill Sergeant, E-5	1973
Windle, Dennis	Navy		E-4	1984
Windsor, Mark	Air Force		E-4	1991

NOVEC is proud of its veterans, including:

- Roger Abel
- Allen Barbee
- Kenny Blaylock
- Al Britton
- Bob Bunek
- Bob Butz
- Kent Cassell
- Gus Glikas
- Monty Greene
- Steve Hash
- Carl Hoffman
- Chris Lawson
- John Lillis
- Jim Mitchell
- Chris Perez
- Ken Rion
- Keith Sellers
- Marvin Ward
- Roger West
- Tony Weaver

Going the Extra Miles

Storms and power outages don't just happen on weekdays between 9 and 5. Because of that NOVEC employees routinely do just a little more. When our community calls, going the extra mile is part of our commitment to value and reliability. But a few of us go much further. Gerald Gardner, a staff sergeant in the Army National Guard, just went an extra 6,237 miles because his country called. The NOVEC family is lucky to have Gerald and others like him who do so much for so many. Thank you for going the extra miles for your community and your country.

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www.novec.com

NOVEC PROUDLY PRESENTS

By Donna Snellings

NOVEC has proudly presented scholarships over the last nine years to outstanding students in Fairfax, Fauquier, Loudoun, Prince William and Stafford counties, and the City of Manassas Park. In addition, a single \$1,000 scholarship is awarded to a student living in NOVEC service territory who is home-schooled or attends private school. Because the majority of NOVEC customers live in Prince William and Fairfax counties, two \$1,000 scholarships are awarded in these counties. NOVEC also includes a single \$1,000 scholarship for a child of a NOVEC employee who meets the standard qualifications.

The Dollars for Scholars program has helped students support their desire for a college education. The scholarship program is another tangible sign of NOVEC's commitment to education for the youth in the community. The committees select students based on scholastic achievement, community service, work experience and demonstrated leadership qualities. These scholarship winners excel academically, and also participate in extracurricular activities ranging from student government to sports teams.

The Manley Garber Scholar

A \$1,500 Garber scholarship is awarded to the top outstanding student. After the selections were made for the other scholarship winners, a second review was conducted to determine the Garber Scholar, who received a total of \$2,500.



Brittany Wilt (Garber Scholar) – *Parents:* Jeffrey and Karen; *County:* Loudoun; *Hometown:* Lovettsville; *High School:* Loudoun Valley High School; *GPA:* 4.19; *College:* Virginia Tech; *Notable quote from student essay:* “My involvement with school activities has also taught me the necessary dedication and drive needed to accomplish and succeed at whatever goals I set for myself.”

Joshua Cleveland – NOVEC Employee-dependent Scholar

Parents: John and Jackie; *County:* Stafford; *Hometown:* Sumerduck; *High School:* Liberty High School; *GPA:* 3.75; *College:* University of South Carolina; *Notable quote from student essay:* “If I attempt to do something with my life by going to college and getting a good job, my parents would be so proud of me and there is no feeling in the world better than that.”



Kyle Huggins – *Parents:* Mathew and Dalia; *County:* Prince William; *Hometown:* Manassas; *High School:* C.D. Hylton High School; *GPA:* 4.168; *College:* University of Virginia; *Notable quote from student essay:* “I find that service towards others is more valuable than spending all of my time and finances on selfish ambitions.”

Alexis Deegan – *Parents:* Patrick and Alison; *County:* Fairfax; *Hometown:* Centreville; *High School:* Westfield High School; *GPA:* 4.04; *College:* University of North Carolina at Chapel Hill; *Notable quote from student essay:* “Although I have won many awards – including Washington Post All-Met Honorable Mention, and all-state – the victories and awards are not what have shaped my life. Instead, it is the injuries and other problems I have had to overcome.”



THE 2007 SCHOLARSHIP WINNERS



Katherine Lesniewski – *Parents:* Robert and Joan; *County:* Fairfax; *Hometown:* Clifton; *High School:* Centreville High School; *GPA:* 4.10; *College:* Clemson University; *Notable quote from student essay:* “I strongly believe in hard work and honoring commitments, whether it is to a job, a person, or a team.”

Jacob Easter – *Parents:* Jeffery and Susan; *County:* Stafford; *Hometown:* Stafford; *High School:* Mountain View High School; *GPA:* 4.36; *College:* Virginia Commonwealth University; *Notable quote from student essay:* “I am thrilled by nature’s beauty and have always been curious as to how it works.”



Samantha Heckathorn – *Parents:* Robin and Lisa; *County:* Fauquier; *Hometown:* Warrenton; *High School:* Fauquier High School; *GPA:* 3.77; *College:* Ohio State University; *Notable quote from student essay:* “All my intense preparing and scholastic accomplishments I have received over the past four years have helped build up my dreams of pursuing a career in pediatrics; Ohio State being reflected back as where I would like to follow it.”

Travis Thompson – *Parents:* Richard and Easter; *County:* Fairfax; *Hometown:* Fairfax Station; *High School:* St. Stephen’s and St. Agnes School; *GPA:* 3.8; *College:* The College of William & Mary; *Notable quote from student essay:* “I do know that without integrity and a strong moral compass, my occupation will be of little value to society or to me.”



Alia Al-Haj – *Parents:* Hafez and Anita; *County:* Prince William; *Hometown:* Dale City; *High School:* Osbourn Park Senior High School; *GPA:* 4.24; *College:* University of Virginia; *Notable quote from student essay:* “It is this lack of judgment of people on first glance and the want to help others achieve to their greatest ability that has carried me through life.”

Additional Scholarship Honors

This year, the Virginia, Maryland & Delaware Association of Electric Cooperatives Educational Scholarship Foundation awarded 40 \$500 scholarships and five \$1,000 scholarships for a total award of \$25,000 – the largest amount in the history of the Foundation. Three area high school graduates have each earned \$500 college scholarships based on a competitive screening process and were eligible because a parent or guardian is a consumer-member of NOVEC.

- Brian, a 2007 graduate of Loudoun Valley High School, is the son of Edward and Denise Higgins.
- Kathryn and Lauren, both 2007 graduates of Paul VI Catholic High School in Fairfax, are the daughters of Theodore and JoAnn Procriv.

Scholarships are awarded to deserving students who live in areas served by electric cooperatives and may be used by the recipient for college tuition, fees and books. Since its inception in 2000, the VMDAEC Educational Scholarship Foundation has awarded 179 scholarships totaling \$93,000.

2007 Youth Tour

By Donna Snellings

Five students were selected from across the NOVEC service area as representatives to the NRECA 2007 Youth Tour Conference in Washington, D.C.: Sandra Zuniga Guzman (Hylton High School), Alex Darr (Loudoun Valley High School), Zachary Taylor (Brentsville High School), Shijit Dasgupta (Centreville High School), and Kelly Johnson (Battlefield High School).

Youth Tour provides the opportunity for high school students to learn about cooperatives and government on the national level, and visit important monuments and sites of our nation's capital. They also have the pleasure of meeting other students from around the country who are members of other cooperatives. The NOVEC Youth Tour students learned about national issues and even discussed some of them with our political leaders.

The perspective from some of the Youth Tour students:

Zachary Taylor

We had a lot of time to talk to each other. I know I talked politics with plenty of people, talked about school clubs, too, and I even talked about cross country and track. Talking to all of these people was an amazing experience. It was the best part of the trip.

It isn't that the places we went to weren't spectacular. They were amazing. We went to see the house of George Washington and learned about him in terms of his personality and reasoning, not just what he did. We went to see *Shear Madness* at the Kennedy Center, which is a fantastic play I would readily recommend others to see. I met many new people and saw a great deal of new things. I saw history as it stood in the memorials, and the present in the committee hearing and Congressman Tom Davis. We went to Arlington National Cemetery and participated in a wreath-laying at the Tomb of the Unknowns. It was a great honor to be able to do that and I will always remember it. At each place, though, what made it great was being with my peers – people my age. Experiencing D.C. with them and discussing what was going on, I learned a great deal of things on the trip, but the most valuable things came from my new friends.

Kelly Johnson

When my friend told me about the Youth Tour, I thought it would be a good experience, a nice thing to put on a college application, and a chance to miss the last week of school. I didn't expect it to be as amazing as it was. Every experience was one to remember, from the first night on a memorable boat cruise seeing D.C. at night, to the ending all-states dance with kids from all over the country.

Throughout the trip, I had the chance to meet so many different people from all over the country. It really opened my eyes when students talked about having only one or even no traffic lights in their entire cities. Some people had graduating classes of only 50 or 60 students.

It was a great experience that I will never forget, and I thank Northern Virginia Electric Cooperative for sponsoring me to go. I had so much fun. Thank you, guys!

Photo by Donna Snellings



Photo by Donna Snellings

Sandra Zuniga Guzman

When I first heard about Youth Tour from a friend, I was not interested because I felt that I lived so close to D.C. already and it would only mean that I'd take my exams later ... but I'm so glad and grateful, to the people working at NOVEC and to Mrs. Donna Snellings, that I got the opportunity to do this and see what really brings so many people to the powerhouse of D.C.

Youth Day was a day I'll never forget. The speakers were definitely NOT boring, and they really pushed you to think about your life in a creative way. Nothing can beat the emotions that surface when you see a room full of people your age, and you think that amongst them may be future senators, representatives, diplomats, CEOs, etc. The truth is that the people who run Youth Tour don't just want you to think that you may be a future leader ... they want you to know it. The dedication electric cooperatives have for education truly comes alive in this part of YT.

Arlington National Cemetery remains my favorite place in the world. The changing of the guards at the Tomb of the Unknowns becomes part of a ritual that spells honor and value – 21 steps. Mount Vernon was beautiful, and I was fascinated with the doll house in the visitors' lobby.

Nature and history became part of each other.

The last day was sad and exciting all at once. I didn't want to leave behind my new friends and the many adventures we had been part of thanks to NOVEC, but I also wanted to get home and tell my old friends of all the things I had been a part of and done. I can't wait until February to see others in Richmond. And I can't wait until I see the other people I met on YT someday, some way.



Photo by Donna Snellings

Alex Darr

I learned a great deal from the trip, not only about history and government, but also about other ways of life. I had the chance to meet and speak with students from all over the country. I met people who were astounded to hear that my high school could hold only three grade levels and had a graduating class of more than 500 people – an astonishing number compared to their class of 45 in a school that teaches grades 1-12. On the trip, I learned the great importance of electric cooperatives both in the past and present.

The high point of the trip for me was the opportunity to sit in on a hearing of the House Committee on Oversight and Government Reform. It was a once-in-a-lifetime chance. Overall, I am very happy to have had the opportunity to take part in this tour and I feel that it gave me a new understanding of the legislative process in America, as well as the great diversity that can be found here. I look forward to continuing my education on my trip to Richmond in February and in pursuing a degree in environmental policy and planning at Virginia Tech.



Photo by Imia Burdiger

(Top of page) Four selected VMDAEC Youth Tour representatives participated in the wreath-laying ceremony at the Tomb of the Unknowns at Arlington National Cemetery. (Middle of page) Youth Tour participants meet with Congressman Tom Davis. (Bottom of page) (from left) Zachary Taylor, Kelly Johnson, Sandra Zuniga Guzman, Alex Darr, chaperone Donna Snellings and Shijit Dasgupta pose at the Marine Corps Museum in Prince William County.

Annual Meeting Arriving in September – Attend, Vote, Visit and Win!



By John Roy

Preparations are well under way for NOVEC's 2007 Annual Meeting, set for **September 26, 2007, at 6 p.m.** The meeting will be held at **Battlefield High School at 15000 Graduation Drive in Haymarket, Virginia 20169.**

Two positions on NOVEC's Board of Directors are up for election and it is the duty of customer-members to elect directors to represent each district. In addition to finding out all about NOVEC, you could also take home a fabulous door prize:

- ★Dell Notebook PC – Grand Prize
- ★Olevia 32" flat-panel LCD HDTV with built-in digital ATSC & NTSC tuner
- ★Pioneer 5.1 surround-sound system
- ★Task Force electric mower with rear bag
- ★Samsung 6 megapixel digital camera
- ★Brickman electric smoker grill
- ★Troy-Bilt 215 MPH 12-amp blower and vacuum
- ★Black & Decker 20" dual-action hedge trimmer
- ★Black & Decker 14" electric grass hog trimmer and edger
- ★Holiday eight-bottle wine chiller
- ★\$25 Glory Days gift certificate
- ★Phillips DVD/CD player
- ★\$50 and \$25 Sears gift cards
- ★\$50 Home Depot, Best Buy, and Lowes gift cards



Members voting by proxy are also eligible to win a Samsung DV camcorder; Lowe's \$100 gift card; Element 22" flat-panel LCD TV w/ATSC tuner; Samsung 6 megapixel digital camera; Phillips DVD/CD player; TruTech 7" portable DVD player with rechargeable battery and remote; a \$50 gift card to The Home Depot, Best Buy, or Target; or a \$25 gift certificate to Glory Days restaurant.

NOVEC Board Approves \$12.3 Million Special CASHBACK Return

By Sarah Smarrelli

Just in time to help offset higher summer electric bills, the NOVEC Board of Directors approved a special CashBack distribution. Approximately \$12.3 million in special CashBack is being returned to current customers who have been on the NOVEC system since at least 2005. In June, a total of \$6.3 million was returned to current customers as a credit on their electric bills. In August, another \$6 million in CashBack will be returned to current customers. This CashBack return represents 2.5 percent of remaining capital credit balances for the years 1988 through 1998, plus 4.5 percent for the years 1999-2005.

CashBack is a unique benefit of cooperative membership, allowing customers to share in NOVEC's financial success. While margins of other companies go to stockholders who may or may not be customers, NOVEC's margins belong exclusively to customers. These margins are returned as CashBack distributions when financial conditions permit, as approved by NOVEC's board.

Since 2003, NOVEC has returned more than \$132 million in CashBack to customers.



Photo by Nina G. Cosgriff

Snellings Appointed to Red Cross Board

Donna Snellings, public relations liaison, began serving a three-year term on the board of directors of the Prince William Chapter of the American Red Cross on July 1, 2007.

"Serving on the board will give me the opportunity to help families that live in our community who need immediate help, usually from disasters," said Snellings. "My family and I and our neighbors may need these services in the future; therefore, I want to contribute to our chapter's stability."

Golfers Raise Funds for Area Organizations

- On May 3, Tom Rollins participated in the Prince William County Police Association Ninth Annual Golf Tournament, which raised money for local officers.
- On June 6, the Manassas Host Lions Club hosted the Johnny Downs Memorial Golf Tournament that raised \$2,500. Participating from NOVEC were Tommy Cisler, Bill Hamlin, Larry Shaffer and Bob Terry.
- Steve Atkinson and Gil Jaramillo golfed on June 12 in the Prince William Chapter, American Red Cross 2007 Charity Golf Tournament. The tournament and accompanying silent auction raised more than \$42,000 for local disaster relief.
- The Boy Scouts of America held their Bull Run Golf Classic on June 26. The foursome of Steve Atkinson, Stan Feuerberg, George Herr, and Gil Jaramillo played.
- On June 28 the South Riding Lions Club hosted their Charity Golf Tournament in Chantilly. Stan Feuerberg, Mike Felt, Doug Hawkins, and Greg Williamson participated.



Loose Change Brightens Lives

The Value of Community. Every year NOVEC customers agree to round up each month's electric bill to the next dollar amount to help pay the fuel bills of customers who cannot do so. We call this Operation Roundup (ORU). Support this worthy cause by enrolling or making a one-time donation today. To sign up or for more information, call 1-888-335-0500 or email customerservice@novec.com.

Your loose change will brighten many lives.

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All NOVEC offices will be closed Monday, September 3, to observe Labor Day. To report outages or an emergency, call 703-335-0500 or toll-free 1-888-335-0500



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J. Manley Garber

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Woodbridge/Dale City/Montclair*



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*District 5
Nokesville/Haymarket/Bull Run*



Secretary:
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*District 6
Lake Jackson/Buckhall/
Manassas Park/Bristow*



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Walter Grove

*District 8
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Malcolm Ames
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*District 3
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*District 9
Fairfax County, West of Rt. 66
Loudoun County, South Riding*



Don M. Middleton

*District 2
Loudoun County, South of Rt. 7*



Ann Wheeler

*District 4
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