

# What's Current

## NOVEC

The Powerful Choice<sup>®</sup>

Visit us at [www.novec.com](http://www.novec.com)



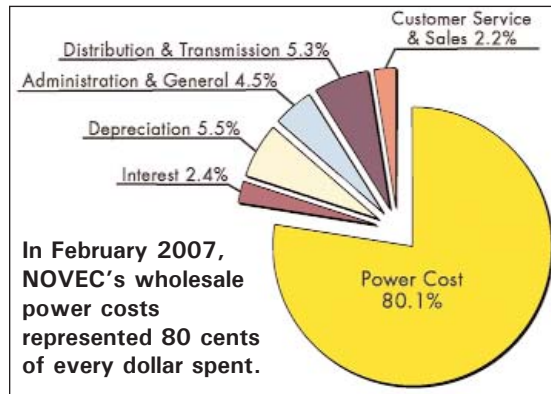
## GREATER CONTROL OF WHOLESALE POWER COST WILL BENEFIT CUSTOMERS

**L**ast month, we told you about our concerns regarding increases in wholesale power cost from our power supply cooperative, Old Dominion Electric Cooperative. Now let's look at why this is occurring.

### The Power Mix

ODEC has an ownership interest in two high-performing generating plants, the North Anna nuclear generation station located in Louisa County and the Clover coal-fired plant in Halifax County. While both of these plants have proven to be wise investments, their combined output accounts for less than 40 percent of ODEC members' energy requirements. The remainder is supplied by way of a combination of various contract and spot-market purchases. In addition, ODEC owns three combustion turbine peaking plant sites with a total of 10 generating units fueled by natural gas and oil.

NOVEC's two representatives on the 24-person ODEC board recognized that some peaking capacity is normally part of a successful power supply portfolio, but they did not agree with ODEC's plan to construct so much peaking capacity, especially in light of uncertainties surrounding the price of natural gas. Their misgivings have been born out, as benefits from the constructed plants have not met forecasts. Expensive to build and increasingly expensive to operate, the peaking units contribute to an ODEC power supply portfolio short on plants that produce energy at a competitive price. The result is a wholesale power price to ODEC members that is among the highest of any Generation and Transmission (G & T) cooperative in the nation, and it continues to spiral upward. In April 2007, the ODEC board approved an additional increase in the fuel factor that will take our wholesale power cost to more than 7.5 cents per kilowatt hour (kwh). This most recent increase amounts to more than \$10 million on an annualized basis.



### Passing on the Savings, but...

Though our distribution rates have not increased for more than fifteen years, the bottom-line price you pay has risen as our cost for wholesale power has risen. In 2002, ODEC changed the method of calculating our monthly wholesale power bill. This bill has three components - demand, energy and fuel (including

certain market purchases). The demand component was lowered and the resulting savings have been passed through to our customers with a series of special CashBack (formerly Capital Credits) returns. In the years 2002-2006, NOVEC customers received \$98 million in special CashBack payments, plus \$55 million in regular CashBack payments.

However, the rapid increase in the fuel component of our wholesale power bill more than offset the demand savings.

ODEC's peaking units and market purchases are highly dependent upon the price of natural gas, which has escalated dramatically since 2002. We have seen our unit price for wholesale power increase from 4.83 cents in 2000 to more than 7.5 cents at present. We deem that price to be unacceptably high.

Our commitment to pay NOVEC's share of existing ODEC resources, including the peaking plants, remains unchanged. However, we are equally committed to gaining power supply flexibility necessary to provide competitively priced energy to our customers.



If natural gas prices have left you in a lurch, it's time to call NOVEC Energy Solutions (NES). NES, a wholly owned subsidiary of NOVEC, offers low, one year fixed price contracts for natural gas supply. By locking in a fixed price for natural gas supply, you can avoid large fluctuations in your monthly natural gas bills.

Lock in now, and enjoy the peace of mind of knowing that no matter how volatile natural gas prices may become, you will be protected.

**NOVEC Energy Solutions**  
the neighborhood expert

For More Information:  
[www.novecenergysolutions.com](http://www.novecenergysolutions.com) • 703-392-1663,  
1-888-627-7283 or send e-mail to [NES@novec.com](mailto:NES@novec.com)

**ALL NOVEC OFFICES CLOSED  
MONDAY, MAY 28 - MEMORIAL DAY**

The NOVEC Operations Center is staffed 24 hours a day, seven days a week, even on holidays.  
Call 703-335-0500 or 1-888-335-0500 to report power outages.



## New Miss Utility Phone Number

# MISS UTILITY OF VIRGINIA JOINS NATIONAL CALL-BEFORE-YOU-DIG PROGRAM

*Miss Utility of Virginia, which helps protect underground utility lines from accidental construction damage, is now part of the new national Call-Before-You-Dig system. Miss Utility is now reachable at 811.*

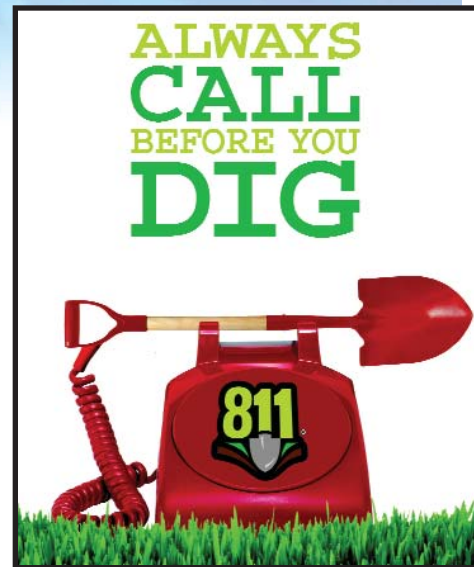
The existing Miss Utility of Virginia number, 1-800-552-7001, which was established in 1976, will continue to work. However, the 811 number is easier to remember and Virginia residents should begin transitioning to use this number.

### Call 811 For Miss Utility

A simple, free call to 811 before every digging job ensures that underground utility lines are marked and helps prevent undesired consequences. Customers often make risky assumptions about whether or not they should get their utility lines marked. However, every digging job requires a call to Miss Utility — even small projects like planting trees and shrubs. If a customer hits an underground utility line while digging, they can harm themselves or those nearby, disrupt service to an entire neighborhood and potentially be responsible for fines and repair costs.

### For More Information

For more information about the new national 811 number, visit [www.call811.com](http://www.call811.com). For more information about Miss Utility of Virginia, visit [www.missutilityofvirginia.com](http://www.missutilityofvirginia.com)



A sampling of the numerous signs removed from our utility poles.

## POSTING SIGNS ON UTILITY POLES IS HAZARDOUS AND ILLEGAL

NOVEC has more than 55,000 wood utility poles that are regularly inspected and maintained. These poles are not to be used as sign posts. The signs are a blight on the landscape. And, more importantly, the nails, screws and staples used to post signs on utility

poles present a safety hazard to NOVEC employees.

### The Damage is Severe and Expensive

The nails and screws used to post signs create direct and indirect hazards for NOVEC staff. The primary danger is that these sharp objects can tear the rubber gloves and sleeves that line crews wear to protect them from being electrocuted. These objects also cause pole-climbing spikes to “kick out,” which can cause a line technician to fall down a pole while climbing.

A secondary danger is the damage that’s done to the pole. Over time, water seeps into holes surrounding nails, damaging the pole. Eventually the pole deteriorates and has to be replaced, creating an added expense for NOVEC.

### It’s Against the Law!

Virginia Ordinance 33.1-373 prohibits the placement of signs on utility poles. In addition, most Northern Virginia counties have a sign removal policy and actively prosecute offenders to recover removal costs. Since poles are located in rights of way, which are in the public domain, county cleanup crews are authorized to remove signs that are illegally posted.

NOVEC also removes signs from Cooperative utility poles. Companies and individuals posting signs on poles could face legal action or be fined for the cost of sign removal and disposal. For the safety of all concerned, please do not use NOVEC utility poles as sign posts.

### For More Information

For more information, visit [www.novec.com](http://www.novec.com). Customers can also contact the NOVEC Right-of-Way Department at 1-888-335-0500, extension 1661 or 703-392-1661, or via e-mail at [novecrightofway@novec.com](mailto:novecrightofway@novec.com)

### Congratulations to Mr. Rohan Perera of Manassas

He was the winner of our quarterly new customer survey drawing and won a \$25.00 gift certificate for Glory Days Grill.



What’s Current is produced by the NOVEC Public Relations Department for Cooperative customers. If you would like additional information or if you have suggestions for future articles, please contact: NOVEC PR, P.O. Box 2710, Manassas, VA 20108 or send e-mail to: [ssmarrelli@novec.com](mailto:ssmarrelli@novec.com)