

WHAT'S CURRENT

March 2014



Stay Connected to NOVEC

Staying connected with NOVEC is easier than ever before with the range of programs now available. Customers can sign up for texting options, as well as download the Co-op's mobile app.

Texting Options

Outage Reporting & Status Updates Via Text: You can sign-up to report power outages via text message. You will communicate directly with NOVEC's interactive voice response system, which makes outage reporting quick and easy.

Once you have enrolled, simply text the keyword OUT to 85700 to report your outage and follow the instructions. You can also text the word STATUS to 85700 to check the status of an outage.

Two Easy Ways to Enroll:

→ Visit www.novec.com/novecouth.

→ Text the keyword NOVECOUT to 85700.

Note: You may receive an error if your cellphone number is not currently listed on your NOVEC account. Add your mobile number by calling 1-888-335-0500 and selecting option 2. Each account may have a maximum of two phone numbers.

Power Reduction Text Messages: Customers will receive text messages reminding them to conserve energy on those days when energy use is very high. By reducing the amount of power consumed during the

hottest and coldest days of the year, NOVEC can reduce its total wholesale power costs and pass the savings on to customers.

During the extreme cold weather in January, NOVEC was able to reduce power consumption during critical time periods thanks to customers who responded to our text messages "We thank customers who voluntarily helped out by curtailing the use of major appliances during these high-demand time periods," says Larry Shaffer, vice president, System Operations.

Two Ways to Sign Up:

→ Visit www.novec.com/novecalerts and enter your cellphone number.

→ Text the keyword NOVECALERTS to 85700.

Mobile App

NOVEC now offers free native applications for iPhone® and Android™ devices in addition to our mobile website. These apps allow customers to log in and view their account information, read news releases, report an outage, or contact NOVEC directly from a mobile device. The app can be downloaded from the iTunes App Store or Google Play Android marketplace. For more information, visit www.novec.com/apps.

Another CashBack Return Offsets Higher Winter Bills

Along with the record-breaking cold in January, many NOVEC customers also experienced higher than normal electric bills due to increased energy use. To help offset these higher electric bills, NOVEC's Board of Directors approved a \$2.1 million CashBack return. Current customers will see the return as a credit on March billing statements. The March CashBack distribution follows a December return of \$1.68 million.

"Electric bills can be higher in winter because people use power for heating, holiday celebrations, and lighting on the shortest days of the year," explains Bob Cornwell, NOVEC energy services specialist. "But bills this year will likely be higher because of extremely frigid weather."

One easy way to avoid significant bill fluctuations is NOVEC's levelized billing program, which averages a customer's power use from the previous year and calculates approximately the same bill amount for

each month. Cornwell says, "Levelized billing helps customers budget more effectively." To participate in levelized billing, call the Customer Service Center at 703-335-0500 or 1-888-335-0500, or visit www.novec.com and click on Billing and Payment Options.

Customers interested in improving energy efficiency can go to www.novec.com/useitwisely to find helpful energy-saving information: "We have all kinds of information on our website about saving energy," says Cornwell. Customers can take an online home energy audit with NOVEC's Home Energy Suite. They can also call NOVEC's Customer Service Center and ask to speak to someone in Energy Services to discuss ways to reduce energy use.

CASHBACK

The \$2.1 million March CashBack return follows the \$1.68 million distributed in December.



TODAY'S FORECAST: CHANCE YOU'LL NEED OUR MOBILE APP

Report an outage. View your account. Send us information. Or, look for news updates. By downloading our mobile app today, **you'll have all that in the palm of your hand.**



www.novec.com/apps





More Good News

Power Cost Adjustment Credit Update

In Virginia, NOVEC and other electric utilities regulated by the State Corporation Commission are only allowed to earn a margin or profit on infrastructure, and not on the electricity produced or delivered through the infrastructure. Simply stated, that means for NOVEC's expense associated with the

wholesale power the Cooperative purchases or generates, there is no mark-up or margin allowed. As a result of the outstanding job done by NOVEC's power supply team, the Power Cost Adjustment has been a credit on customers' bills for the past three years. The PCA will continue to be a credit in 2014, although it will be a little less, starting in March.

How does the PCA work and why is it a credit?

A golf analogy may help explain the concept. On a golf course, par has been established for each of the 18 holes. Players measure their performance against par. While hole-by-hole results vary, the best players generally finish at or below par for the round.

NOVEC's power supply team sets a month-by-month power cost budget in advance of the calendar year, based on the best available pricing information and the anticipated energy consumption of its customers. Most, but not all, of NOVEC's projected energy needs are purchased in advance via fixed-price, bilateral contracts. Despite advanced computer modeling and fixed-price contracts, temperature

extremes and the response of customers to such conditions represent significant budget challenges. For example, a sustained heat wave or cold snap

will eventually cause even the most ardent conservationist to adjust the thermostat and use more electricity to remain comfortable, which may cause actual power purchases to exceed budget.

Just as in golf, month-by-month results vary, but the overall target is to buy power at or below projected costs for the year. The power supply team's success at "breaking par" has resulted in PCA credits for the past three years.

The PCA for the rest of 2014 is expected to be just over a half-cent for every kilowatt hour purchased by NOVEC customers. The power supply market changed dramatically in January when the polar vortex invaded Northern Virginia several times, causing market prices for electricity to soar. NOVEC's long-term power supply hedging strategy enabled the company to ride out the steep January power cost increases and still maintain a credit adjustment for the balance of the year.

Thanks to improved operating efficiencies and the NOVEC power supply team's success, NOVEC customers have been paying about 14.5 percent less for the power they consume than they were paying before NOVEC assumed full responsibility for power supply in 2009.

For the past three years NOVEC customers have been getting the power cost adjustment credit on their monthly bills.

Wood Chip Mulch Distribution



NOVEC tree trimming contractors generate thousands of cubic yards of wood chip mulch every year. This mulch must be removed from various sites in NOVEC's territory. Tree contractors chip the material into dump trucks that have a capacity of from 8 to 20 cubic yards. If crews are working in your local area, they will deliver the material to your property upon request FREE of charge.

NOVEC maintains a database of customers who request free mulch to match them with available loads. Customers must supply their

name, street address, phone number, and a specific location to deliver the mulch. Loaded dump trucks are very heavy and must dump directly on or at the edge of paved, gravel, or very dry areas. There is no limit to how much wood chip mulch you may request. However, depending on crew work locations, mulch delivery may be immediate, or may take several months.

NOVEC mulch is not factory processed. Delivered loads may consist of wood chips, shredded branches, chipped leaves, and a combination of hardwood and conifer species. This type of mulch is normally used for erosion control, composting, trails, and as mulch around large trees and plants.

NOVEC makes no warranty as to the specific consistency of each load and suggests that customers evaluate their specific needs before requesting mulch. Once dumped on your property, NOVEC contractors cannot remove the mulch.

Visit www.novec.com/woodchips to fill out an online request form for mulch delivery.

Spring Cleaning Easy Energy Savers

Doing spring clean between winter and summer is a great way to welcome warmer weather, and also a good time to think about energy efficiency. According to the U.S. Energy Information Administration, the average U.S. household will spend about \$2,200 on energy this year. While you're spring cleaning why not also consider making some of these energy-saving changes around your home:

- ❖ Clean or change furnace filters regularly. A dirty filter will slow down air flow and make the system work harder.
- ❖ Add caulk or weather-stripping to seal air leaks around leaky doors and windows.
- ❖ When you shower or take a bath, use the bathroom fan to remove the heat and humidity from your home.

❖ If you haven't already, use NOVEC's online HomeEnergySuite to get customized cost-saving recommendations for your home. To get started, visit www.novec.com/homeenergysuite.

❖ Reduce water heater temperature to 120° F.

❖ Wash most clothes in cold water; follow laundry recommendations.

❖ Turn off all lights, appliances and electronics not in use. A power strip can help turn off multiple items at once.

❖ Install a programmable thermostat to save up to 10% on home cooling and heating costs.

