Cable Companies Seek Subsidy at Expense of Co-op Customers

Ask your elected officials to vote NO on the HB 1439 pole attachment bill

Large, out-of-state, cable television companies are trying to gain approval in this year’s General Assembly for House Bill 1439, which would cap and significantly reduce the fees these companies pay for attaching their cables and equipment to utility poles owned by NOVEC and other electric cooperatives. “We negotiated these fees in good faith, based on the costs of designing, constructing, operating, and maintaining our pole-lines,” says Stan Feuerberg, NOVEC President/CEO. “Currently, the telecommunications companies are paying only one-seventeenth of these costs. Now they want to pay even less.” Reducing the pole attachment fees to subsidy levels amounts to a transfer of wealth out of the pockets of not-for-profit cooperative customers to the stockholders of for-profit telecommunications companies.

According to Jim Moxley, a NOVEC senior vice president, lower pole attachment rates will reduce the revenues co-ops use to offset the cost of delivering electricity to its customers. This would benefit only the telecommunications companies by increasing their profits. He says these businesses, unlike electric utilities, have no obligation to serve any area they deem unprofitable.

Feuerberg points out that the companies are not seeking lower fees to accelerate the deployment of wired broadband service to sparsely populated areas. During an Oct. 28, 2010, meeting among electric cooperatives and members of the Virginia Cable Telecommunications Association, a VCTA member stated that broadband service would not be extended to Virginia’s rural customers even if electric cooperatives allowed free pole attachments.

Contact Your Elected Officials
To stop this bill from passing, contact your delegate and your state senator now! Visit www.novec.com/hb1439.cfm to find the contact information for your elected representatives.

NOVEC Biomass Power Plant To Provide Green Energy Option

Late last year, the Virginia State Corporation Commission gave NOVEC and its development partner, NOVI Energy, interim authority to begin early construction on a 49.95 megawatt biomass power plant on 104 acres of wooded property in South Boston, Va. Once complete, the plant will allow NOVEC to offer an additional “green” power option to customers.

NOVI Energy, a Michigan-based energy services company, will oversee construction of the plant, which they expect will start generating electricity in 2013. The plant will rely on wood waste — or “slash” — on forest floors for fuel. By proceeding with construction before the end of the year, NOVEC expects to qualify for an American Recovery and Reinvestment Act grant.

“Being good stewards of the environment has always been a priority at NOVEC,” said NOVEC President/CEO Stan Feuerberg. “In terms of renewable resources, we now distribute electricity generated by renewable hydropower and landfill gases, and we have been actively seeking appropriate alternatives to increase the amount of renewable energy in our resource portfolio. We expect the proposed biomass plant to supply up to 6.5 percent of our power requirements by 2014. That’s enough to serve the equivalent of 10,000 customers.”

In addition, the plant will be carbon neutral — adding no additional carbon dioxide to the environment beyond what is released through natural decomposition. And, the facility will be cooled with ‘gray’ water from a nearby wastewater treatment facility in a closed loop, which will help conserve local water resources.
In preparation for the Virginia State Corporation Commission’s approval of NOVEC’s recent case filing to reduce rates, an updated schedule of fees is being incorporated in the Cooperative’s Terms & Conditions document. NOVEC has not changed its administrative fees for customers in nearly 20 years. One fee that will decrease is the initial membership fee, which goes from $10 to $1 beginning in 2011.

NOVEC President/CEO Stan Feuerberg explains that the rate case will allow the Co-op to reduce customers’ overall rates by 2.68 percent. Thanks to the cost-containment initiatives instituted by Cooperative management and the extraordinary skill and dedication of NOVEC employees, Feuerberg explained, “We are in the strongest financial position in the 70-year history of the Co-op. We haven’t borrowed a nickel since 1997.”

Feuerberg noted that while the vast majority of customers will see a reduction in their monthly bills, certain rates will increase. The cost of operating and maintaining street lights has gone up significantly, so this rate will be increased.

To view the complete Terms & Conditions, visit www.novec.com and click on “Customer Services,” then “Billing & Payment Options.”

A s the new year begins, NOVEC would like to thank customers for supporting the Co-op’s right-of-way maintenance efforts. According to Rick Carpenter, NOVEC’s contracted certified arborist, “When customers contact us to report a dangerous tree situation we are able to prevent countless power outages that may have resulted from falling trees and limbs.” NOVEC’s right-of-way maintenance program helps the Co-op provide safe, reliable service with minimal tree-related interruptions.

“We ask once again for your help in continuing our successful track record of minimal tree-related outages by not planting any trees within the overhead utility rights-of-way,” Rick says. Trees planted under overhead lines have only one place to grow — up and into the power lines, requiring continual trimming and resulting in trees that can never attain their natural shape.

NOVEC policy does not allow new trees to be planted within right-of-way easements. This policy reduces required tree trimming, stabilizes right-of-way maintenance costs, and creates more aesthetically pleasing utility corridors.

Remember from a small acorn, a mighty oak does grow — those cute little trees don’t stay small for long. Always consider the tree’s mature size before planting. For help in selecting the right tree for the right place, contact the NOVEC right-of-way department at 703-335-0500, 1-888-335-0500 ext. 1633 or 1661 or send e-mail to novecrightofway@novec.com.