



June 7, 2011

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Mr. & Mrs. [REDACTED]
[REDACTED] Youngs Branch Dr
Fairfax Station, VA 22039

Dear Mr. & Mrs. [REDACTED]:

In our March letter we promised to keep all Fairfax Station NOVEC customers informed about the conclusions reached by our service reliability project team. The purpose of this letter and the enclosed project summary is to ensure that all NOVEC customers in Fairfax Station have an accurate understanding of the solutions we are aggressively implementing to address the service reliability concerns of the community. The project summary, which was distributed at the May 18 meeting with residents, held at Fairview Elementary School, has been updated to reflect changes which have occurred since that time. It also corrects several inaccuracies contained in information you may have received from sources other than NOVEC, so I encourage you to read it carefully, even if you received a copy on May 18.

Since March, much has been accomplished and I trust the results of our efforts have already been evident. Our outage records indicate a dramatic reduction in the number of momentary blinks and sustained outages affecting Fairfax Station, despite some significant weather challenges in recent weeks. NOVEC has committed the resources necessary to complete the work outlined in the project summary in a timely manner. To that end, hundreds of thousands of dollars have already been invested, and our tree crews and line crews will remain in the Clifton/Fairfax Station area until the project is completed.

We are keenly aware that results are what matters most to our customers. We are directly accountable to you for the outcome of this project, as well as any other matter related to your electric service from NOVEC. While we maintain excellent working relationships with Senator Marsden, Delegate Hugo and Supervisor Herrity, it is not necessary for you to go through them to get our full attention. Please feel free to contact us directly at any time by letter, email or by phone. As a customer-owner, you have a voice that matters to us and I trust you will find us always willing to listen and able to respond.

Sincerely,

Stan C. Feuerberg
President and CEO

Enclosure

FAIRFAX STATION RELIABILITY PROJECT SUMMARY

• Why was the May 18 meeting at Fairview Elementary School held?

The meeting was held in response to the request of Fairfax Station customers. NOVEC is customer-owned and we value the feedback we receive from our customers. We appreciate opportunities to respond to concerns and address important issues. Whether brought to our attention by an individual or a community, we have a solid record of responding to concerns and fixing problems.

Allegations that NOVEC has been unresponsive to the concerns of Fairfax Station residents are simply untrue. To the best of our knowledge, we have responded to every email, letter and phone call received since the January snowstorm. Immediately following all service restoration, a project team was assigned to thoroughly analyze service reliability in Fairfax Station. Based on the team's analysis, a comprehensive action plan was quickly developed and approved. Implementation of the plan is well under way. The fact that service reliability has already been improved, despite some severe weather challenges in recent weeks, speaks to the success of the work already completed. A full summary of our work plan for Fairfax Station is provided below, and we intend to complete all work this year.

• Service Reliability

We acknowledge that service reliability for Fairfax Station customers over the past four years has been lower than the rest of the NOVEC system. Residents are frustrated by a high number of brief interruptions/blinks. We agree that this is not acceptable performance and specific measures are being taken to improve overall reliability and reduce the number of blinks.

• Why hasn't this been addressed sooner?

We take exception to statements that we overlooked Fairfax Station customers. NOVEC has made a number of improvements to this portion of our distribution system through the years. However, reliability data plainly indicates that more work, especially tree trimming and tree removal along the rights of way, needs to be done. We are committing the time and resources necessary to drive performance for Fairfax Station customers to the system average, which has been the best in the metropolitan Washington, D.C. area by a wide margin for twelve consecutive years. Providing superior customer service is a corporate goal and a specific focus for our employees and customer-elected board of directors. NOVEC has been consistently rated as a regional and national top performer in the annual J.D. Power and Associates Electric Utility Residential Customer Satisfaction Study.

• Causes of Outages and Blinks

Our analysis shows that the number-one cause of the outages and blinks affecting Fairfax Station is simply trees. A smaller number are attributable to animals (squirrels and snakes) and lightning. **We can say with absolute certainty that none are the result of "mechanical or electrical" failures of the distribution system.** By mechanical and electrical we mean that poles, conductor and other related equipment have not failed due to high electrical usage, ice, snow or wind. Most outages, momentary and sustained, have been caused by falling trees and/or limbs.

• What is the NOVEC plan for improvement?

Fairfax Station is currently fed by two substations, Popes Head and Moore. Either substation is capable of handling the entire load of the NOVEC portion of Fairfax Station. With that in mind, we have installed remote-controlled switches, which will enable Fairfax Station customers to be fed from either substation in the event of an outage affecting Popes Head or Moore. While both circuits serving Fairfax Station were



taken out of service by the January storm for a short while, this is a rare occurrence. A remote transfer can generally be accomplished in a matter of minutes from our Control Center and does not require technicians to be dispatched to the field. Both of the new switches have been installed and are in operation.

Spacer Cable has been installed on a section of 12.5 kV line located between Yates Ford Road and Chapel Road. This is a proven industry solution to “harden” overhead lines where trees are problematic. Installation of spacer cable on a portion of the 34.5 kV line feeding Popes Head substation began as scheduled on June 1 and should be completed by the end of July. The configuration of the wires and the larger poles required for spacer cable installation will make circuits feeding Fairfax Station more resilient to contact by trees and limbs.

Aggressive tree trimming and tree removal has been underway since the January storm. NOVEC does not own any of these trees. Our easements are generally 30’ wide, 15’ on each side of the line. However, we are being more assertive in fully exercising our easement rights regarding trimming within our easements and removal of danger trees (trees that are an imminent threat), which are located outside of our easements. In contrast with past experiences, many property owners in the Fairfax Station and Clifton areas are now welcoming our efforts to perform more extensive tree trimming and removal. They are also granting permission to remove trees outside the rights of way that would not normally be classified as “danger trees,” which are structurally vulnerable to heavy snow and high winds and, as such, represent a threat to the power lines.

More than 100 sectionalizing devices (fuses, reclosers, switches) have already been installed. These will enable our field technicians and control center operators to more precisely locate problems, which will in turn reduce the number of customers affected by an outage and reduce the duration. “Fault indicators” have also been installed throughout the area. They assist our technicians in diagnosing problems faster, resulting in less outage time.

• **How will we know if the plan doesn’t produce the expected results?**

While we expect the work outlined in our plan to bring Fairfax Station’s reliability up to NOVEC’s outstanding “best in the region” system-wide average, we acknowledge that only time will tell whether our efforts produce the desired improvement. We will be monitoring the results closely to ensure that targets are being met. Specialized meters have been installed at strategic locations to verify service interruptions in the community, should they occur.

To assist residents in monitoring our performance, we will provide periodic reliability reports to the HOA. These reports will be formatted in a way to make it easy to share this information in the HOA newsletter.

• **Service Territories and Electric Delivery Systems**

Under authority granted in the Code of Virginia, the Virginia State Corporation Commission designated service areas for electric utilities in the early 1950s to eliminate duplicate facilities. At that time, the SCC assigned the area where Fairfax Station was later built to NOVEC’s predecessor, Prince William Electric Cooperative. Service boundaries were never negotiated by any cooperative or among any group of cooperatives. The SCC was, and is, the sole authority for the establishment of electric utility service boundaries. A consolidation between Prince William Electric Cooperative and Tri-County Electric Cooperative created NOVEC in 1983.

Electric utilities are required by statute to provide service to all customers located within their respective service territories. NOVEC is responsible for delivering reliable electric service to its assigned portion of the Fairfax Station community and directly accountable to you and to the SCC for our performance. Allegations have been made regarding NOVEC’s “rural delivery system” and Dominion Virginia Power’s



“urban delivery system,” implying that construction standards are somehow different for rural or, in the case of Fairfax Station, formerly rural, customers than they are for urban customers. This is not the case. NOVEC’s electric delivery system is designed and built to exceed industry standards. Industry standards make no distinction between urban and rural. The standards are the same for all customers and all locations. Our research shows little, if any, construction differences between the NOVEC and DVP lines delivering electricity to Fairfax Station. The only discernable difference is there are fewer threats from trees along the DVP route, which is adjacent to route 123. Photos included in the HOA presentation that supposedly depicted the NOVEC feed to Fairfax Station were highly suspect, as no three-phase circuits, such as the ones serving Fairfax Station, were depicted.

The question was raised as to whether NOVEC customers in Fairfax Station can simply be transferred to Dominion Virginia Power. There is no legal mechanism in Virginia that provides for such a transfer. Neil Joshipura, Associate Utilities Engineer, Division of Energy Regulation, SCC, wrote in a letter to Delegate Hugo, “There have been situations where two electric utilities have established a metering point between them in which one utility’s customers are served from another utility’s facilities. This situation is called a “border line transaction.” However, this typically occurs in a situation where the utility is unable to provide facilities to customers within their territory. Based on my own experience, it has never been done due to a reliability concern.”

Transferring customers from the NOVEC system to the DVP system would be challenging from an engineering perspective, as well. There appears to be a presumption among some members of the Fairfax Station community that transferring the NOVEC customers to Dominion Virginia Power is a simple matter of using “jumper cables” to connect the two systems. That is absolutely not the case. The voltage on the portion of the DVP system serving Fairfax Station is 34.5 kV and the NOVEC system in Fairfax Station is 12.5 kV. Neither voltage is inherently more reliable than the other. NOVEC has some 34.5 kV distribution in another part of its system and the reliability is similar to our 12.5 kV system. Connecting the two systems would require a small, fenced substation with an intermediate step-down substation transformer and circuit breakers. A small parcel of land would also be required for the substation. Under all circumstances, a considerable financial investment would be required.

• **Service Restoration Process**

NOVEC follows industry-wide service restoration practices that are designed to restore service safely and as quickly as conditions permit. NOVEC concentrates service restoration efforts in the areas and on the power lines that restore electric service to the greatest number of people in the shortest period of time. Priorities are placed on vital community services such as hospitals and 911 calls involving fires, vehicle accidents and fallen power lines. While we provide service restoration estimates, the challenges associated with a major outage event make it impossible to guarantee when your service will be restored. We suggest that you make appropriate arrangements for persons with serious medical conditions or other disabilities to be moved to a location where service is available until your service is restored. Service restoration priorities are **not** based on where your home is located, your credit history or how frequently you call to report the outage.

