

OUR CO-OP



RELIABLE



COMMUNITY

TRUSTWORTHY

2020 ANNUAL REPORT

NOVEC

EXECUTIVE LETTER

How quickly things can change. 2019 was marked by economic expansion, low unemployment, and financial markets rising to unprecedented levels.



STAN FEUERBERG
President and CEO

WADE C. HOUSE
Chairman of the Board

Then the worldwide coronavirus pandemic struck, and with it came human suffering and economic loss. The terms “public health crisis,” “stay-at-home order,” “quarantine,” and “social distancing” became everyday expressions. The virus changed our perspective of the world, our country, and our local business environment; however, NOVEC’s commitment to customers, employees, and communities remained steadfast. Regardless of the challenges, our Co-op keeps the power flowing and the lights on.

COVID-19

Maintaining good health should be a priority every day. There is a new sense of urgency, though, when a highly contagious virus crosses borders and oceans, becoming an international pandemic. As soon as we became aware of the potential severity of the coronavirus, we responded quickly. We relocated work areas and many of our employees, implemented alternative work hours, and, when practical, provided teleworking opportunities to some employees. We acquired sanitizing and disinfectant supplies well above normal inventory levels. We made commercial cleaning arrangements beyond what previously was deemed safe. We also implemented Centers for Disease Control and Prevention recommendations for maintaining safe and ultra-clean work environments.

Financially Sound

Operating revenue and energy sales increased during 2019. NOVEC’s assets will soon cross the \$1 billion threshold, a milestone in the

company’s vaunted history. We are pleased to announce our outside auditor again reported that our annual audit is clean and the financial internal control system is thorough and rigorous.

In 2019, NOVEC members received a total of \$4.23 million in CashBack; more than \$308 million has been refunded since 2000. As a result of exceptional energy purchasing as reflected in the annual power cost adjustment, the average residential customer’s bill was reduced by 8.5% in 2020. We are extremely proud that NOVEC customers have enjoyed stable electric rates; NOVEC’s last base rate increase occurred in 1991.

Record Reliability

In 2019, three county boards of supervisors passed special resolutions in recognition of our two decades of superior system reliability. The average NOVEC customer experienced only one outage lasting about one hour in duration. That reliability record is the result of our skilled workforce, technology investments, system upgrades and expansions that satisfy Northern Virginia’s ever-increasing appetite for electricity.

Uncertainty may be with us for the near term; however, NOVEC’s values and commitments are resolute. Our electric system is stable and robust, and our financial strength is unparalleled. Our employees are among the very best in the entire industry, and our community commitment is unwavering. In 2020, the foundation upon which we have built **Our Co-op** remains rock solid.



BOARD OF DIRECTORS



DISTRICT 5
Chairman,
Wade House



DISTRICT 1
Treasurer,
Cindy Gilbride



DISTRICT 3
Vice Chairman,
James Chesley



DISTRICT 2
Brent George



DISTRICT 6
Secretary,
Michael Ragan



DISTRICT 7
Skip Albrite

DISTRICT 4 Open

LEADERSHIP TEAM

STAN FEUERBERG - President and CEO

WILBUR ROLLINS - Senior Vice President,
Finance and Asset Development

BOB BISSON - Vice President, Electric
System Development

MICHAEL DAILEY - Vice President, Energy
and Business Development

LISA HOOKER - Vice President,
Public Relations

DAVID SCHLEICHER - Vice President,
Administration, Substations, and
Telecommunications

PATRICK TOULME - Vice President and
Corporate Counsel

DAN SWINGLE - Vice President, Electric
System Operations

ALLISON KANE - Manager, Organizational
Development

TONG THOMAS - Manager, Customer Care

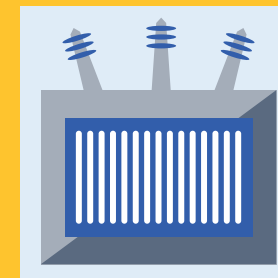
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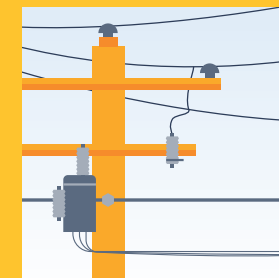
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Reliable Power



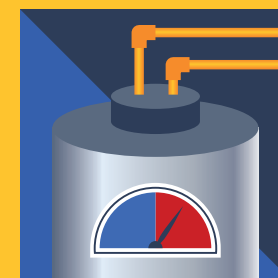
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POWER AND SERVICE YOU CAN COUNT ON

“I want to thank Northern Virginia Electric for all that you do to get our electric turned back on due to storms, accidents, or for whatever reason, in a quick-as-possible turnaround,” wrote a NOVEC member in April 2020. “You are appreciated so much.”

This message to NOVEC, and many more like it, reflect how much Co-op customers appreciate having their power working for them.

In 2019, the lights were on 99.98% of the time, as measured by the industry benchmark System Average Interruption Duration Index. SAIDI represents the average number of minutes a customer is without power in a year, other than during major storms and events. The fewer the SAIDI minutes, the better. NOVEC’s 2019 SAIDI score was 67 minutes — almost half the national average.

In recognition of NOVEC’s 20-year record of reliability, several county governments passed resolutions praising the Co-op. “We appreciate the boards of supervisors of Fairfax, Loudoun and Prince William counties recognizing NOVEC’s two decades of superior system reliability,” said President and CEO Stan Feuerberg. “The commendations acknowledge our employees’ dedication to superior system reliability and customer service.”

THE MOST RELIABLE
for
20
consecutive
YEARS



Members of the Loudoun County Board of Supervisors present NOVEC Public Relations Vice President Lisa Hooker (bottom left) and NOVEC President and CEO Stan Feuerberg (second from left) with a copy of their resolution that commends NOVEC for 20 consecutive years of outstanding, reliable electric service. The 2019 board supervisors pictured are (clockwise from top left) Geary Higgins, Tony Buffington, Koran Saines, Ron Meyer, Ralph Buona, and Kristen Umstattd.



NOVEC’s line technicians power our community – even during the most challenging times. Chris Perry, a seven-year NOVEC lineworker, is no exception. He works year-round to help keep customers’ lights on. In addition, when COVID-19 prevented him from visiting students in person at Martin Luther King, Jr. Elementary School in Prince William County, he delivered a virtual lesson on career development and electric safety.

DELIVERING RELIABLE POWER

Northern Virginia's fast population growth and its economic development in recent decades require considerable electricity. NOVEC is providing more and more of it. When two electric cooperatives consolidated in 1983, the newly formed Northern Virginia Electric Cooperative served approximately 38,000 meters. The number topped 173,000 at the end of 2019.

TO MEET CUSTOMERS' GROWING DEMAND IN 2019, NOVEC:

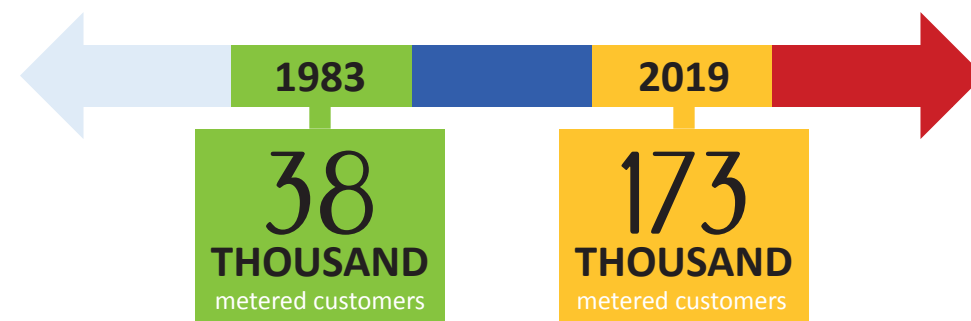
Added nearly 3,400 new metered customers.

Constructed 84 miles of power line, most of it underground, bringing the total to 7,449 miles.

Completed one new substation for a total of 62. Two more are under construction.

Increased system capacity by adding large power transformers at two existing substations.

Connected two additional substations to NOVEC's proprietary 333-mile fiber-optic network. The network allows the Co-op's system control center to remotely monitor and operate substation equipment so power can be restored more quickly when outages occur.



Powering Data Centers

Northern Virginia is home to more data centers than any other location in the country. NOVEC supplies electricity to 28 of them, with 19 more under construction in Loudoun and Prince William counties. Five of the Cooperative's 62 substations primarily serve data centers, including two substations completed in 2019.

NOVEC's data center customers reap the benefits of the region's most reliable electric service at a cost lower than the national average. They also rely on the Cooperative's ability to meet tight schedules.

"For every data center NOVEC serves, the electric service was designed, constructed, and energized prior to the agreed-upon in-service date," says Feuerberg. "That speaks to the commitment of the business development, engineering, substation, and construction employees who bring these large projects online."

ENVIRONMENTALLY FRIENDLY

TO HELP THE ENVIRONMENT, NOVEC:

- Connected 242 solar photovoltaic systems to the power grid in 2019, bringing the total PV systems served by NOVEC to 534. PV systems represent 5.2 megawatts of connected solar generation.
- Applied environmentally safe herbicides to inhibit tree growth near overhead power lines.
- Shredded post-holiday Christmas trees into garden mulch.
- Recycled paper, scrap metal, wood cable reels, and outdated computers.
- Repurposed used transformer and motor oil to heat NOVEC buildings.

NOVEC distributes clean, renewable energy from multiple sources. It distributes all the electricity produced at the Prince William County Landfill, where five generators use gas from decaying trash as fuel. It also distributes solar energy from arrays at Fauquier County Livestock Exchange. In 2023, the Cooperative will begin distributing an additional 300 megawatts of solar power produced by utility-scale solar generation facilities.

Currently, the Co-op's largest source of renewable energy is its biomass electric generating facility in Halifax County, Virginia. The 49.9-megawatt plant generates renewable energy around the clock — enough to power the equivalent of about 16,000 homes.

Fuel used at NOVEC's Biomass Electric Generating Facility

The Cooperative does not buy tracts of timber or cut down trees to provide fuel for its biomass facility. Instead, the plant operates entirely on wood waste left behind by commercial loggers — waste that would otherwise be left to rot on the forest floor, be hauled to landfills, or burned in open fires.

NOVEC'S BIOMASS ELECTRIC GENERATING FACILITY

NOVEC commissioned the facility in
2013.

The biomass facility uses approximately
300,000 TONS
of wood waste as fuel annually.

Wood waste used by the biomass plant would otherwise have been

**BURNED, LEFT TO DECAY,
OR HAULED TO A LANDFILL.**

Renewable energy is generated

**AROUND
THE CLOCK.**

BENEFITS TO HALIFAX COUNTY AND VIRGINIA:

27 full-time jobs with an annual payroll in excess of
\$2.8 MILLION.

Nearly
\$661,000
in annual property taxes paid.

Approximately
\$6 MILLION
paid annually to local businesses for wood chips.



AFFILIATE OFFERINGS

NOVEC Solutions (NS)

NS and its business partners offer customers a variety of energy-related products and services, including electric and natural gas water heaters, whole-house standby generators, and solar photovoltaic systems. Customers can also obtain home-protection programs for heating and cooling systems, water lines, sewer lines, power surges, and in-home electrical repair.

In 2020, NS is deploying NS TELECOMM technology to transmit data along a single fiber over more than 100 miles of fiber throughout Northern Virginia for governments, businesses, and hospitals. NS TELECOMM uses the revolutionary NS ONE-net™. This dense wave division multiplexer, invented and patented by NOVEC, allows data to travel in both directions on a single fiber instead of two. As a result, NS ONE-net can reduce data-transport costs by almost 50% for enterprises that lease network space on NS TELECOMM or own fiber-optic networks. Customers also save money by needing less network hardware and less space to house it.



NOVEC Energy Solutions (NES)

NES sells natural gas to regional customers in Virginia, Maryland, Kentucky, Pennsylvania, and Washington, D.C. NOVECnet high-speed internet service uses a large-capacity satellite, state-of-the-art ground equipment, and breakthrough web-acceleration technology to bring customers across the commonwealth quality streaming service. NES also offers a heating, ventilation, and air conditioning (HVAC) filter service that sends filters to customers' homes on a schedule — free of delivery charge. Changing filters regularly helps HVAC equipment run more efficiently and saves energy dollars.



Gil Jaramillo, NOVEC manager of Power Portfolio Optimization and Business Development, has been a valuable asset to our Co-op for over 30 years. In addition to serving as a key member of NOVEC's energy supply team, Jaramillo also ensures NOVEC members have access to beneficial products and services that make life easier.



The nation depends on first responders, especially in 2020. NOVEC often works directly with firefighters, police, and other essential personnel. Many are Co-op members, including April Spicer, who has been a Prince William County firefighter for nine years and a NOVEC member for over eight.



CUSTOMER CARE

As a trusted energy resource, NOVEC's customers count on the Cooperative to provide helpful information. Customers can find tips to reduce energy use and manage their monthly electric bills at NOVEC's online Energy Resource Center at novec.com/save.

Customer care center representatives offer details on levelized billing to help customers keep electric bills approximately the same month to month, even in the coldest and hottest months. The representatives also can suggest social service agencies that offer bill-payment assistance.

GIVING BACK TO THE COMMUNITY

Beyond providing electricity, energy services and products, our Co-op supports the communities we serve. NOVEC's community contributions in the last year include:

- **Operation Round Up®.** Simply by rounding up their monthly electric bill to the next dollar, more than 17,000 participating NOVEC members help their neighbors in need of emergency electric bill-payment assistance. The Cooperative partners with nonprofit social service organizations, which, in turn, assist eligible NOVEC customers with their electric bills. In 2019, the organizations granted nearly \$50,000 in bill-payment assistance.
- **Electric Safety Demonstrations.** Lineworkers attend community fairs and functions to demonstrate how electricity works and how to be safe around it.
- **Supporting Education.** In 2020, NOVEC awarded \$16,500 in college scholarships to students in its service territory. It also annually sponsors high school students to see government in action in Richmond, Virginia, and Washington, D.C., even though the trip to the nation's capital was canceled in 2020 due to COVID-19. The Co-op also participates in career fairs, hires interns, co-sponsors a youth art contest, and supports youth athletics.

Our community came together to help each other during the COVID-19 pandemic. NOVEC donated to area food banks. It also partnered with Sal Speziale, a NOVEC member, to help his Ciao Osteria restaurant in Centreville provide hundreds of free meals to first responders. The effort kept the restaurant's staff busy and employed.



- **NOVEC HELPS – Hands Engaged in Local Public Service.** Employees in this 501(c)(3) organization volunteer and raise funds for people in need. In 2019, NOVEC HELPS donated close to \$42,000 to 63 local charitable, health, shelter, youth, and veterans' organizations. It collected holiday food and gifts, and helped supply meals for low-income students when schools were closed. In 2020, NOVEC HELPS and NOVEC jointly gave more than \$11,000 to area food banks to help meet the increased need resulting from the COVID-19 pandemic.
- **A Day of Caring.** Employees representing NOVEC, NOVEC HELPS, and the National Rural Utilities Cooperative Finance Corporation spent a day in October 2019 improving two homes that house people with special needs. The workers painted, cleaned, and landscaped the homes operated by Choice. Respect. independence (CRi).

Learn more about NOVEC's community service at novec.com/community.

A YEAR IN REVIEW

ALL FIGURES ARE THROUGH DEC. 31, 2019, EXCEPT PEAK DEMAND.

ASSETS

\$990 MILLION

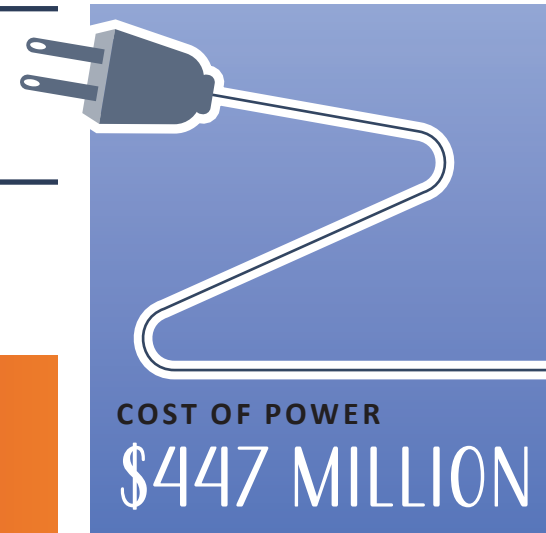
OPERATING REVENUE

\$564 MILLION

LONG-TERM DEBT

\$122 MILLION

MONTHLY AVERAGE
RESIDENTIAL
COST OF 1,000
KILOWATT-HOURS
\$128



FULL-TIME
EMPLOYEES

323



TOTAL METERS-TO-
EMPLOYEE RATIO

537:1

NUMBER OF
METERS

173,000

MILE OF LINE

7,449

METERS PER
MILES OF LINE

23

AVERAGE SYSTEM RELIABILITY

99.98%

KILOWATT-HOURS SOLD

5.853 BILLION

PEAK DEMAND

JULY 2020

1,277 MEGAWATTS



NOVEC's outstanding finances can be attributed to many employees across the Co-op, but few impact that performance more than members of our finance and asset development team. In her 16 years at NOVEC, Manager of Accounting Janis Jeusi has played an integral role in ensuring that NOVEC is a good steward of its members' money.



CONSOLIDATED BALANCE SHEETS

DEC. 31, 2019 AND 2018

(in thousands)

Assets	2019	2018
Utility plant, net of accumulated depreciation and amortization	\$714,674	\$684,038
Nonutility plant, net of accumulated depreciation and amortization	6,286	1,878
Total plant	\$720,960	\$685,916
Investments:		
Associated organizations	\$7,035	\$7,065
Other	5,518	4,498
Total investments	\$12,553	\$11,563
Deferred income taxes, net	\$8,627	\$9,243
Current assets:		
Cash and cash equivalents	64,214	40,258
Investment securities	59,072	52,958
Accounts receivable, less allowance for doubtful accounts of \$746 in 2019 and \$750 in 2018	48,490	44,157
Materials and supplies inventories	19,262	19,559
Collateral deposit	6,455	6,325
Other current assets	30,062	33,855
Held for sale	—	499
Total current assets	\$227,555	\$197,611
Restricted cash	3,000	—
Deferred charges	2,632	15,493
Assets for post-retirement benefits	17,157	12,658
Total assets	\$992,484	\$932,484
Liabilities and Equities		
Equities and margins:		
Membership fees	\$736	\$767
Patronage capital	718,267	692,789
Other equities	25,282	23,875
Accumulated other comprehensive income	11,964	5,232
Total equities and margins	\$756,249	\$722,663
Commitments and contingencies		
Long-term debt, excluding current installments	\$110,015	\$107,618
Current liabilities:		
Borrowings under lines of credit	—	11,000
Current installments of long-term debt	11,511	11,160
Accounts payable	29,807	24,859
Consumer deposits	9,606	9,241
Accrued expenses and other current liabilities	6,763	8,511
Total current liabilities	\$57,687	\$64,771
Deferred credits	64,057	33,811
Accrued retirement benefits	4,476	3,621
Total liabilities	\$236,235	\$209,821
Total liabilities and equities	\$992,484	\$932,484

CONSOLIDATED STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL
YEARS ENDED DEC. 31, 2019 AND 2018
(in thousands)

	2019	2018
Operating revenue:	\$577,103	\$548,466
Operating expenses:		
Cost of power	452,695	431,117
Administrative and general	31,990	27,875
Depreciation and amortization	30,668	29,978
Distribution expense – maintenance	17,343	18,471
Distribution expense – operations	14,216	13,300
Consumer accounts	5,616	6,294
Customer service and information expense	2,237	2,321
Other expense, net	244	253
Total operating expenses	\$555,009	\$529,609
Net operating margins before interest expense	\$22,094	\$18,857
Interest expense	(4,861)	(4,698)
Net operating margins after interest expense	\$17,233	\$14,159
Nonoperating margins:		
Patronage capital assigned from associated organizations	\$488	\$399
Dividends and interest income	6,760	4,461
Other nonoperating income	6,311	3,752
Total nonoperating margins	\$13,559	\$8,612
Net margins before income tax expense	\$30,792	\$22,771
Income tax benefit (expense)	(616)	284
Net margins	\$30,176	\$23,055
Patronage capital at beginning of year	\$692,789	\$674,299
Net margins	30,176	23,055
Retirements of patronage capital	(4,698)	(4,565)
Patronage capital at end of year	\$718,267	\$692,789

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DEC. 31, 2019 AND 2018
(in thousands)

	2019	2018
Cash flows from operating activities:		
Cash received from consumers	\$580,994	\$541,481
Cash paid to suppliers and employees	(507,798)	(510,998)
Dividends, interest, and other nonoperating income	13,292	8,187
Interest paid	(4,869)	(4,708)
Taxes paid	—	(55)
Net cash provided by operating activities	\$81,619	\$33,907

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DEC. 31, 2019 AND 2018
(in thousands)

	2019	2018
Cash flows from investing activities:		
Purchases of utility plant and nonutility plant	(\$92,073)	(\$90,145)
Contributions in aid of construction of utility plant	49,167	37,426
Proceeds from sale of utility plant	1,850	—
Purchases of investment securities	(17,113)	(15,659)
Purchase of other investments and changes in collateral deposits	369	(4,821)
Proceeds from sale or maturity of investment securities	14,407	12,483
Retirements of patronage capital by associated organizations	304	251
Net cash used in investing activities	(\$43,089)	(\$60,465)
Cash flows from financing activities:		
Principal payments on debt	(\$12,752)	(\$2,032)
Principal payments on line of credit	(11,000)	—
Principal proceeds from borrowing on line of credit	15,500	11,000
Membership fee receipts	(31)	(35)
Retirement of patronage capital	(4,698)	(4,565)
Unclaimed retirement of patronage capital	1,407	995
Net cash providing by (used in) financing activities	(\$11,574)	\$5,363
Net (decrease) increase in cash, cash equivalents and restricted cash	\$26,956	(\$21,195)
Cash, cash equivalents and restricted cash at beginning of year	\$40,258	\$61,453
Cash, cash equivalents and restricted cash at end of year	\$67,214	\$40,258

CONSOLIDATING SCHEDULE/BALANCE SHEET
DEC. 31, 2019
(in thousands)

	NOVEC	NOVEC Holdings Inc.	Eliminating Entries	Consolidated Totals
Assets				
Utility plant, net of accumulated depreciation and amortization	\$623,464	\$91,210	—	\$714,674
Nonutility plant, net of accumulated depreciation and amortization	5,725	561	—	6,286
Total plant	\$629,189	\$91,771	—	\$720,960
Deferred income taxes	—	\$8,627	—	\$8,627
Investments:				
Associated organizations	\$7,035	—	—	\$7,035
Other	58,719	—	(53,201)	5,518
Total investments	\$65,754	—	(\$53,201)	\$12,553

CONSOLIDATING SCHEDULE/BALANCE SHEET (CONTINUED)

DEC. 31, 2019

(in thousands)

	NOVEC	NOVEC Holdings Inc.	Eliminating Entries	Consolidated Totals
Current assets:				
Cash and cash equivalents	\$38,531	\$25,683	—	\$64,214
Investment securities	59,072	—	—	59,072
Notes receivable	80,691	—	(80,691)	—
Accounts receivable, less allowance for doubtful accounts	47,337	2,311	(1,158)	48,490
Materials and supplies inventories	13,280	5,982	—	19,262
Collateral deposit	6,455	—	—	6,455
Other current assets	27,552	2,718	(208)	30,062
Total current assets	\$272,918	\$36,694	(\$82,057)	\$227,555
Restricted cash	3,000	—	—	3,000
Deferred changes	2,033	599	—	2,632
Asset for post-retirement benefits	17,157	—	—	17,157
Total assets	\$990,051	\$137,691	(\$135,258)	\$992,484
Liabilities and Equities				
Equities and margins:				
Membership fees	\$736	—	—	\$736
Patronage capital and accumulated earnings	718,267	(900)	900	718,267
Other equities	25,282	54,101	(54,101)	25,282
Accumulated other comprehensive income	11,964	—	—	11,964
Total equities and margins	\$756,249	\$53,201	(\$53,201)	\$756,249
Commitments and contingencies:				
Long-term debt, excluding current installments	\$110,015	—	—	\$110,015
Current liabilities:				
Borrowings under lines of credit	—	78,622	(78,622)	—
Current installments of long-term debt	11,511	1,908	(1,908)	11,511
Accounts payable	28,615	2,558	(1,366)	29,807
Consumer deposits	9,606	—	—	9,606
Accrued expenses and other current liabilities	6,068	856	(161)	6,763
Total current liabilities	\$55,800	\$83,944	(\$82,057)	\$57,687
Deferred credits	63,511	546	—	64,057
Accrued retirement benefits	4,476	—	—	4,476
Total liabilities and equities	\$990,051	\$137,691	(\$135,258)	\$992,484

CONSOLIDATING SCHEDULE/STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL INFORMATION

DEC. 31, 2019

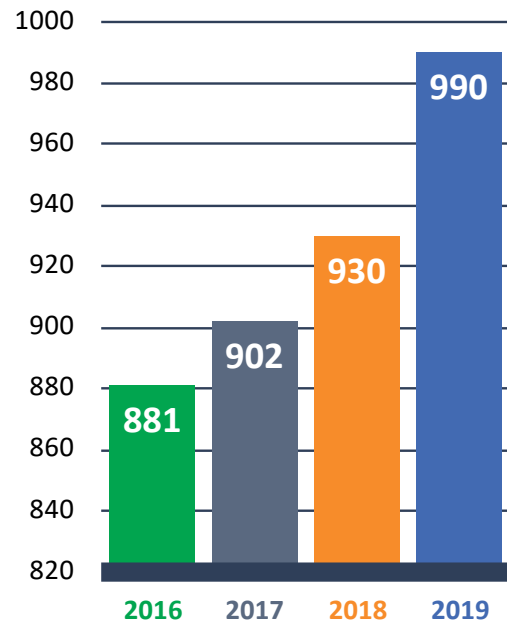
(in thousands)

	NOVEC	NOVEC Holdings Inc.	Eliminating Entries	Consolidated Totals
Operating revenue:	\$564,074	\$28,559	(\$15,530)	\$577,103
Operating expenses:				
Cost of goods	447,685	20,540	(15,530)	452,695
Administrative and general	28,042	4,306	(358)	31,990
Depreciation and amortization	26,844	3,824	—	30,668
Distribution expense — maintenance	17,343	—	—	17,343
Distribution expense — operations	14,216	—	—	14,216
Consumer accounts	5,616	—	—	5,616
Customer service and information expense	2,237	—	—	2,237
Other expense (income), net	266	(22)	—	244
Total operating expenses	\$542,249	\$28,648	(\$15,888)	\$555,009
Net operating margins before interest expense	\$21,825	(\$89)	\$358	\$22,094
Interest expense	(2,356)	(2,505)	—	(4,861)
Net operating margins after interest expense	\$19,469	(\$2,594)	\$358	\$17,233
Nonoperating expenses:				
Patronage capital assigned from associated organizations	\$1,869	—	(\$1,381)	\$488
Dividends and interest income	6,265	495	—	6,760
Other nonoperating income (loss)	2,573	4,096	(358)	6,311
Total nonoperating margins	\$10,707	\$4,591	(\$1,739)	\$13,559
Net operating margins before income tax benefit	\$30,176	\$1,997	(\$1,381)	\$30,792
Income tax benefit	—	(616)	—	(616)
Net margins	\$30,176	\$1,381	(\$1,381)	\$30,176
Patronage capital at beginning of the year	\$692,789	(\$2,281)	\$2,281	\$692,789
Retirements of patronage capital	(4,698)	—	—	(4,698)
Patronage capital at end of year	\$718,267	(\$900)	\$900	\$718,267

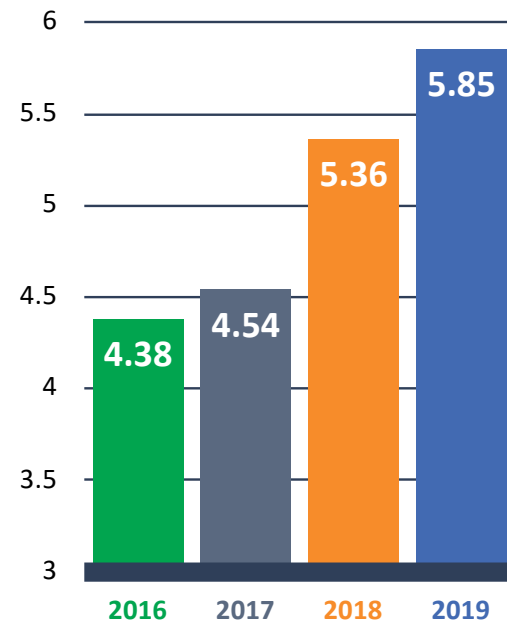
FINANCES

YEAR ENDED DEC. 31, 2019

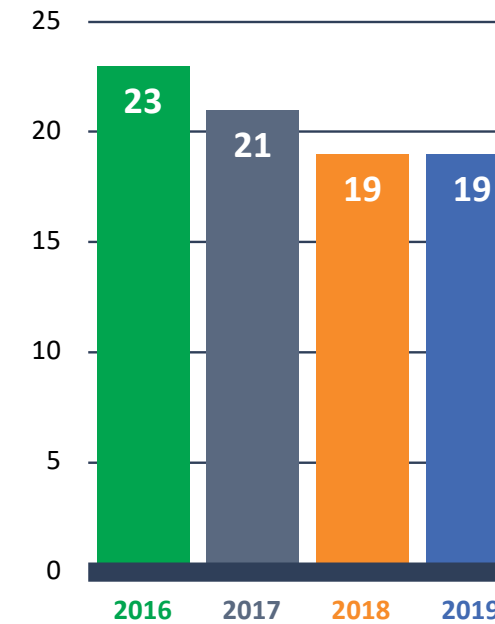
ASSETS
(millions of dollars)



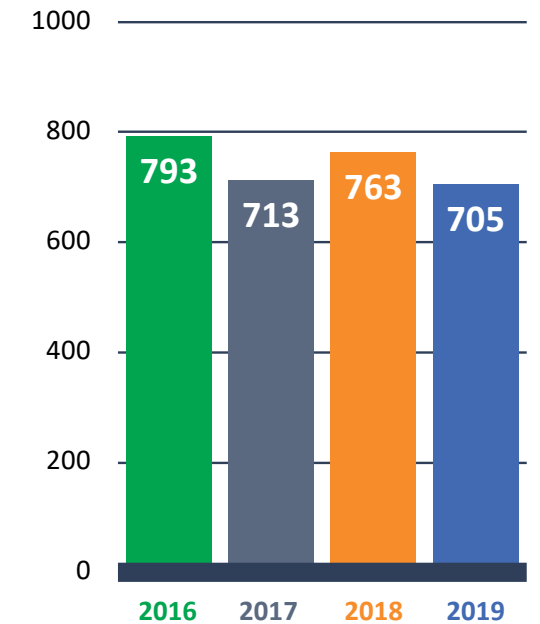
KILOWATT-HOURS SOLD
(billions)



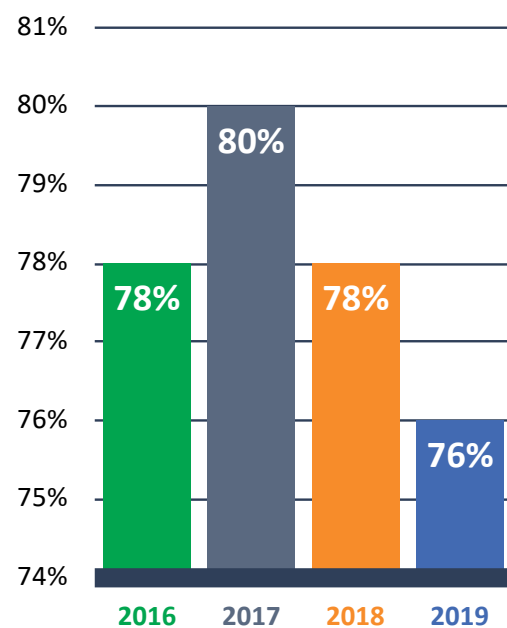
NET OPERATING MARGINS
(millions of dollars after interest expenses)



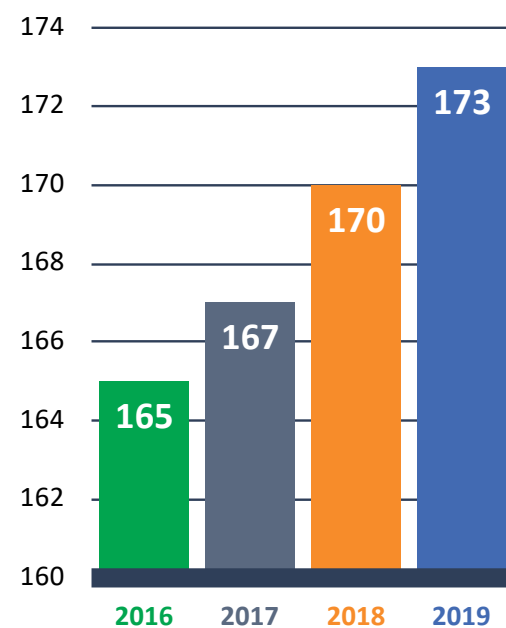
AVERAGE DEBT PER METER
(dollars)



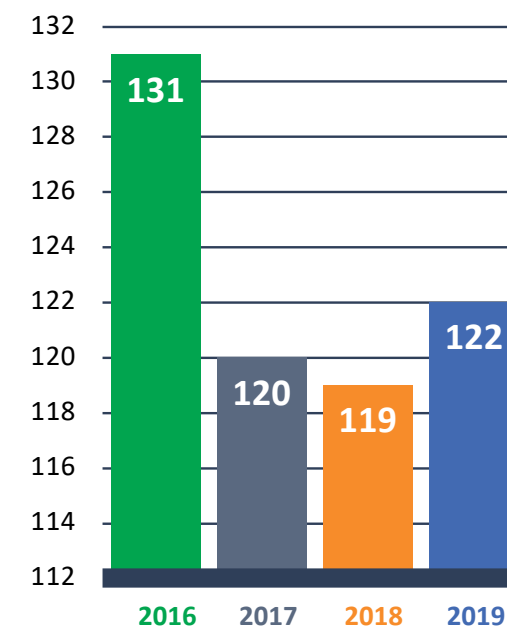
EQUITY TO ASSETS



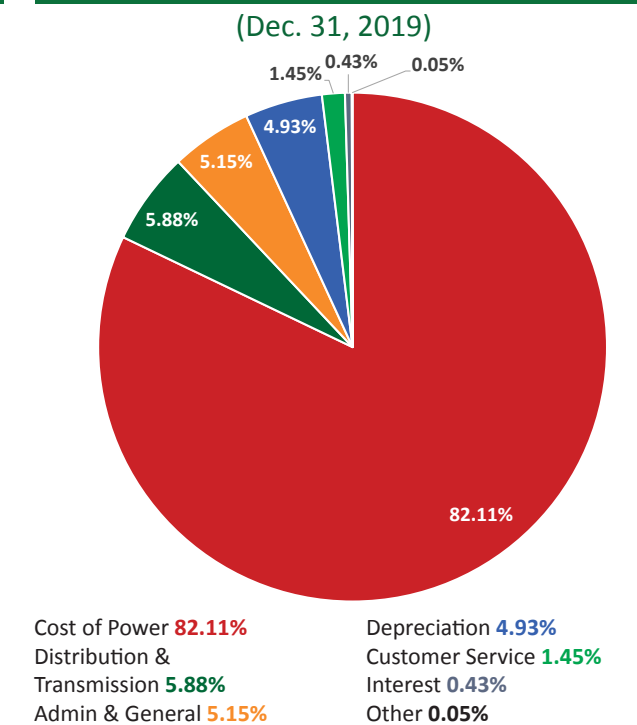
TOTAL METERS
(thousands)



LONG-TERM DEBT
(millions of dollars)



ALLOCATION OF COST OF ELECTRIC SERVICE



NONDISCRIMINATION STATEMENT

NOVEC is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form found online at ascr.usda.gov/complaint-filing-cust.html, or at any USDA office, or call 1-866-632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax 202-690-7442, or email at program.intake@usda.gov.



NOVEC, headquartered in Manassas, Virginia, is a not-for-profit electric utility corporation that supplies and distributes electricity and energy-related services to more than 173,000 metered customers in Fairfax, Fauquier, Loudoun, Prince William, Stafford, and Clarke counties, the Town of Clifton, and the City of Manassas Park. It is one of the largest electric companies of its kind in the nation. For questions concerning the Cooperative: you may call NOVEC's Customer Care Center, 703-335-0500 or toll-free 1-888-335-0500, Monday through Friday, from 7:30 a.m. to 6 p.m.; visit novec.com; or send mail to NOVEC, P.O. Box 2710, Manassas, VA 20108.