



Annual Financial Statement

Powell Valley Electric is a member-owned organization, so we want to keep you informed. Each year we provide information to keep you informed about the operations of your cooperative. Powell Valley Electric Cooperative is proud to announce that our cooperative remains financially sound. We feel that this is reflected on the annual financial statement.

The PVEC board of directors, management and employees continue to operate the daily business of the cooperative in a manner that assures continued financial stability and reinforces a solid foundation on which to build an even brighter future for the cooperative and its members. We are glad to share with you on page 17 your cooperative's most recent fiscal year's financial statement.

Fiber Update Info as of 11/20/2023

Miles of backbone – 1,801
Services installed to the home – 8,101

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Sneedville Office

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General Manager

Brad Coppock

Director of Operations

Travis Tolliver

Jonesville Area Supervisor

Jason Stapleton

Sneedville Area Supervisor

Joey Southern

Tazewell Area Supervisor

Tyler DeBusk

Powell Valley Electric Cooperative is an Equal Opportunity Provider and Employer.

Possibilities of the New Year



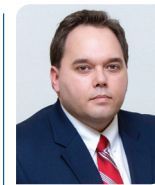
In Roman mythology, the two-faced god Janus represents beginnings and transitions and can see the past and future. This first month on our calendar — January — takes its name from Janus.

As we turn the calendar to 2024, you might be excited about what the future holds. You might also be apprehensive about challenges or the unknown facing you in the upcoming year.

Through change and uncertainty, Powell Valley Electric Cooperative works diligently to be a constant. This demands a deliberate and intentional effort by all our employees. The electric grid is a complicated system that needs constant attention and maintenance.

To deliver energy to all 34,000 members served by Powell Valley Electric Cooperative, we maintain 3,706 miles of line. Our crews need to be able to consider both the past and the future. How has our infrastructure held up under past weather events, and what maintenance or upgrades need to be performed to ensure safe and reliable service into the future?

Many times, that requires that we replace poles and transformers and build onto substations. You will also find our crews and contractors performing right-



Manager's Message

Brad Coppock
General Manager

of-way maintenance, clearing existing vegetation, and looking into the future to prevent encroaching limbs from threatening delivery of electricity to you.

We work alongside the other co-ops in the state to monitor legislation that could affect the safety, reliability or affordability of our electric service. As Congress and state legislatures reconvene this month, we will remain watchful for legislation that could pose issues for your co-op or your community.

By looking back and ahead, we strive to provide you with the critical services you and your family will need in 2024. I hope you will join us in this exercise. What blessings of the previous year fill your heart with gratitude, and what opportunities in the future fill you with hope? The turn of the year is a great time to think about both the past and the future.

The team here at Powell Valley Electric Cooperative wishes you a safe, happy and prosperous new year.

Safety Tips

Tyler DeBusk

Tazewell Area Supervisor



How qualified is your electrician?

It's tempting to ask your handy brother-in-law or next-door neighbor to make a few quick fixes around your house. But when it comes to repairing anything electrical, call a professional.

Electricity can be dangerous in a home that's improperly wired, has overloaded circuits or has exposed or defective wiring, receptacles or switches.

Even if the job seems simple, it's better to call an experienced, licensed electrician to do it. Most electricians have many hours of on-the-job training under the supervision of a more experienced electrician and have passed an exam.

Don't leave your electrical work up to a handyman, your brother-in-law or even yourself. The money you spend to hire a pro will more than pay off in peace of mind and a safe home.

Washington Youth Tour Reminder



All short stories for the Washington Youth Tour are due on March 1, 2024.

Remember, all entries must be written by junior high school students who are on Powell Valley Electric Co-op's service.

For more information, call (423) 626-0723.

Electric Cooperatives Announce College Scholarship Program

Electric cooperatives in Virginia, Maryland and Delaware are preparing to accept applications for their scholarships from high school seniors who intend to pursue higher-education studies.

The scholarships are awarded by the Virginia, Maryland & Delaware Association of Electric Cooperatives Education Scholarship Foundation. Since 2001, this foundation has provided over 1,000 scholarships to graduating high school students.

The open date for applications is Feb. 1, 2024, while the application deadline is April 1, 2024. The online application and additional information can be found at vmdaec.com/scholarship.

Any high school or home-schooled senior graduating in spring 2024, and whose primary residence is served by Powell Valley Electric Cooperative, is eligible to apply for a \$1,000 scholarship



to be applied to a two- or four-year college or trade school.

An applicant must be entering his or her first semester at a postsecondary or technical/trade school in the fall of 2024. Scholarship funds, which will be sent directly to the educational institution, must be used toward tuition, student fees, room and board, or textbooks.

The Foundation's board of directors will select recipients based on these weighted criteria: financial need, academic achievement and personal statement. Please email questions about donations and the application process to scholarship@vmdaec.com.

Turn the Thermostat Down

Saving energy during the winter doesn't have to mean feeling cold in your own home. Here are five free ways to lower your energy bill while staying comfortable indoors.

- Lower the temperature in your home by just a single degree. The U.S. Department of Energy estimates you can save 3% on your heating bill for every degree you set your thermostat back during the winter — as long as you leave it there.
- Turn off exhaust fans in the kitchen and bathroom as soon as the steam or cooking smells are gone. It takes only one hour for those fans to blow all of the warm air out of your house, so use them only as needed.
- Close the fireplace damper when you're not burning a fire. An open damper is a hole in your house that sucks heated air out and draws cold winter air in.
- Move furniture and rugs away from heating vents so air can circulate freely around the room. That will make your heating system's work a lot easier.
- Open the curtains on south-facing windows on sunny days so the sun's warm rays can radiate into your home. Close the curtains at night to help trap that heat indoors.



Powell Valley Electric Cooperative Balance Sheet

	For the Year Ended June 30		Change	
	2022	2023	\$	%
ASSETS				
Electric Plant				
Electric Plant in Service	136,867,132	144,528,409	7,661,277	5.6%
Construction Work in Progress	7,535,580	2,357,697	(5,176,883)	-68.7%
Total Plant	144,402,712	146,887,106	2,484,394	1.7%
Accumulated Depreciation	(74,575,314)	(77,124,073)	(2,548,759)	3.4%
Net Electric Plant	69,827,398	69,763,033	(64,365)	-0.1%
Investments				
CFC Capital Term Certificates	1,075,290	1,075,290	-	0.0%
Capital in Associated Organizations	10,420	10,420	-	0.0%
Economic Development Loans	1,009,915	662,796	(347,119)	-34.4%
Subtotal - Investments	2,095,625	1,748,506	(347,119)	-16.6%
Current Assets				
Cash and Temporary Cash Investments	5,408,352	6,790,140	1,381,788	25.5%
Accounts Receivable Consumers (Net)	23,449,854	30,099,356	6,649,503	-18.9%
Material and Supplies	6,891,064	4,489,850	(2,401,214)	-34.8%
Prepaid Expenses	153,462	246,650	93,188	60.7%
Other Current Assets	2,500,208	2,096,371	(403,837)	-16.2%
Subtotal - Current Assets	38,402,940	43,722,368	5,319,427	13.9%
Other Assets and Deferred Debits				
TVA Heat Pump Loans Receivable	1,624,021	1,805,548	181,528	11.2%
Other Loans Receivable	46,087	37,375	(8,712)	28.4%
Pension Prepayment	81,079	-	(81,079)	-100.0%
Other Assets	218,575	192,797	(25,778)	-11.8%
Deferred Fiber Communications	160,000	148,000	(12,000)	-7.5%
Subtotal-Other Assets/Def. Drs.	2,129,762	2,183,720	53,959	2.5%
Total Assets	112,455,724	117,417,627	4,961,903	4.4%
LIABILITIES, EQUITIES, AND MARGINS				
Equities and Margins				
Memberships	125,975	127,240	1,265	1.0%
Accumulated Net Margins	84,851,898	87,691,232	2,839,334	3.3%
Subtotal - Equities and Margins	84,977,873	87,818,472	2,840,599	3.3%
Long-Term Debt				
Rural Utilities Service (RUS)	9,051,724	8,649,425	(402,299)	-4.4%
RUS Advance Payments	(7,477,900)	(7,051,388)	426,512	-5.7%
CoBank	654,663	2,377,074	1,722,412	263.1%
Economic Development Loans	1,309,918	962,811	(347,107)	-26.5%
Net Long-Term Debt	3,538,405	4,937,923	1,399,518	39.6%
Current Liabilities				
Accounts Payable - Purchased Power	8,546,312	7,127,612	(1,418,700)	-16.6%
Accounts Payable - Other	1,275,224	1,065,291	(209,933)	-16.5%
Consumer Security Deposits	1,804,880	1,873,892	69,012	3.8%
Accrued Expenses	25,447	22,176	(3,271)	-12.9%
Tax Accruals and Payroll Deductions	1,700,335	1,562,103	(138,230)	-8.1%
Subtotal - Current Liabilities	13,352,198	11,651,075	(1,701,123)	-12.7%
Other Liabilities and Deferred Credits				
Post-Retirement Benefits	1,494,175	2,019,842	525,667	35.2%
TVA Heat Pump Loans Payable	1,676,976	1,817,196	140,220	8.4%
Other Deferred Credits	7,416,098	9,173,120	1,757,023	23.7%
Subtotal - Other Liab. and Def. Crs.	10,587,249	13,010,158	2,422,909	22.9%
Total Liabilities, Equities, and Margins	112,455,725	117,417,627	4,961,903	4.4%

Comparative Income Statement

	For the Year Ended June 30	
	2022	2023
Revenue		
Total Expenses	62,398,146	74,455,003
Change	12,056,857	19.3%
Operating Margin	4,497,062	3,764,770
Change	(732,292)	-16.3%
Net Margin	4,497,062	3,764,770
Change	(732,292)	-16.3%

Co-op Facts

No. of Customers by Rate

Residential	27,519
Small Commercial	6,410
Large Commercial	221
Outdoor Lighting	206
Total Customers	34,356

Miles of Line

Distribution	3,665
Transmission	41
Total Miles of Line	3,706

Customers per Mile of Line 9.4

No. of Full-Time Employees 75

No. of Customers by County

Tennessee	
Claiborne	17,088
Grainger	1,189
Hancock	4,856
Hawkins	664
Union	2,223
Subtotal - Tennessee	26,020

Virginia

Lee	7,033
Scott	1,293
Wise	10
Subtotal - Virginia	8,336

Total Customers 34,356

Property Tax Paid \$669,534



Electric Co-ops Preparing for Extreme Weather

From the earliest days of electricity, weather has presented the biggest challenges to reliability and safety. Severe thunderstorms, tornadoes, heat waves, flooding and wind events have long put power lines and co-op crews in Tennessee and Virginia to the test.

If you've thought storm events seem to be more frequent and more intense these days, you're not wrong. The National Oceanic and Atmospheric Administration, which tracks weather and climate disasters causing more than \$1 billion in damage, reported an annual average of 18 such events between 2018 and 2022. That compares to an average of just 8.1 major disasters per year from 1980 to 2017.

While scientists and policymakers debate the causes of our wild weather, electric co-ops are diligently working to prepare for it. From coast to coast, cooperatives are taking steps to harden the vital infrastructure that delivers electricity to our members' homes, farms and other businesses. Co-ops have been upgrading equipment and our connections to the nation's electric power grid so we can better withstand disaster-level events. We're also taking steps to prevent damage from happening in the first place.

For example, you may have noticed our emphasis on tree trimming and other vegetation-management strategies. Keeping trees and branches at a safe distance from power lines reduces the potential for weather-related outages. Like you, we're sometimes sad to see our

favorite trees trimmed, but many of the outages we handle every year happen when trees tangle with power lines.

As drought conditions contribute to wildfires in places where they've previously been rare, we also need to plan for the possibility of similar fires in our area. Keeping vegetation away from power lines and equipment helps us prevent wildfires and limit their spread.

Hardening our infrastructure will include a long list of other strategies. We're paying more attention to the condition of our system. If one of our power poles is damaged or otherwise weakened, strong winds might bring it down and leave a big area of our community in the dark. That's why we keep an eye on all our poles and install more durable replacements when necessary.

When our crews aren't fixing problems, they're working just as hard to prevent them from happening.

When our crews aren't fixing problems, they're working just as hard to prevent them from happening. Those poles and the wires connecting them are frequent targets for lightning, so we can protect the local power grid by installing devices that safely divert surges caused by lightning strikes.

It's also why we invest in sophisticated management systems — what some call the smart grid — capable of drawing our attention to potential issues before they grow into problems. Paired with innovative technology like reclosers, these systems are engineered to keep your power flowing even in the toughest weather conditions (or when a squirrel makes a poor choice). We're also taking steps to protect substations and other important outdoor equipment from severe weather events.

Power outages are just one way extreme weather can affect your energy costs. Weather extremes in one part of the country can have significant effects on energy availability and costs elsewhere. As winter temperatures drop in many areas, the demand for heating drives market energy prices up, and not-for-profit electric co-ops may have to pass those higher costs along to members.

You and your neighbors can help us limit the impact of those higher costs by shifting your energy use during peak times. For example, refrain from using your larger appliances early in the morning when energy costs are the highest. The more members help by reducing energy use at peak times, the less everyone will have to pay for energy.

Considering the impact of potential weather disasters and implementing steps to prevent damage is just one more example of your electric cooperative's dedication to making sure your power is always ready when you need it most.