



Powell Valley Electric Cooperative News

A message from your General Manager



Randell Meyers
General Manager
& CEO

POWELL VALLEY ELECTRIC COOPERATIVE

420 Straight Creek Road
P.O. Box 1528
New Tazewell, TN 37824

Office Hours: M-F 8 a.m.–5 p.m.

Tazewell Office:

Service Requests: (423) 626-0707
Billing Inquiries: (423) 626-0706
Outages/Trouble: (423) 626-5204
Other Inquiries: (423) 626-5204

Jonesville Office:

Service Requests: (276) 346-6003
Billing Inquiries: (276) 346-6003
Outages: (276) 346-6065
Other Inquiries: (276) 346-6016

Sneedville Office:

All Inquiries: (423) 733-2207

Calls to all PVEC locations will be answered by emergency operators after office hours, on weekends & holidays.

Visit us at pve.coop

You may also contact us at info@pve.coop

Randell Meyers
General Manager & CEO

Ronnie Williams
Tazewell Area Supervisor

Jason Stapleton
Jonesville Area Supervisor

Joey Southern
Sneedville Area Supervisor

Powell Valley Electric Cooperative is an equal opportunity provider and employer.

Power and Opportunity

Amazon recently announced that it will build a new operations center in Nashville. This is big news for the entire state as the project will bring more than 5,000 jobs and millions of dollars in investment to the region. Chattanooga, Knoxville and Memphis have also recently made headlines for industry announcements as well.

This attention on the state's urban centers makes it easy to think that you can only find opportunity in a big city. We shouldn't think that because opportunity is all around us.

Last year, nearly half of all new jobs created in Tennessee — more than 9,700 — were created in the state's rural and suburban counties.

These communities may not be growing as quickly as Nashville or Knoxville, but you don't have to look too hard to see good things happening right here.

Powell Valley Electric Cooperative provides energy to eight counties in southwest Virginia and northeast Tennessee, but our interest in the communities we serve goes far beyond power. We are working to be sure that our part of the region is strong and well prepared to compete in the modern economy.

In November, I attended the Tennessee Electric Cooperative Association's annual meeting in Nashville. The theme for the event was Power and Opportunity. It was a good reminder of the impact Powell Valley Electric Cooperative has on the communities we serve.

We provide more than power. We provide power and opportunity.

Our youth programs help young people develop important leadership skills. In 2018, Powell Valley Electric Cooperative sent four young people to Washington, D.C., to learn about government and public policy. We also sent two high school students to Nashville for the Tennessee Electric Co-op Youth Leadership Summit to strengthen their leadership and networking skills.

The things that happen in southwest Virginia or northeast Tennessee may not get as much attention as those in Nashville, but what goes on here matters. It matters to the people who live here, and it matters to our co-op.

Powell Valley Electric Cooperative wants to see the communities we serve flourish. We want this to be a place where businesses thrive, families prosper and opportunities are abundant.

We look forward to working with you in the coming year to help our communities succeed. We wish for you and your families a wonderful and prosperous Happy New Year and that you find the coming year better than the last in every way possible!

— Randell W. Meyers

Facts About Your Cooperative as of June 30, 2018

# of Customers by Rate		# of Customers by County	
Residential	26,316	Tennessee	
Small Commercial	5,356	Claiborne	15,858
Large Commercial	222	Grainger	1,038
Outdoor Lighting	196	Hancock	4,649
Total Customers	32,090	Hawkins	522
		Union	1,845
Miles of Line		Subtotal - Tennessee	23,912
Distribution	3,561	Virginia	
Transmission	33	Lee	6,896
Total Miles of Line	3,594	Scott	1,273
		Wise	9
Customers per mile of line	9.0	Subtotal - Virginia	8,178
		Total Customers	32,090
# of Full-time Employees	56	Property Tax Paid	\$ 697,822

Annual Financial Statement

Because Powell Valley Electric is a member-owned organization, we want to keep you informed, and each year we provide information to keep you knowledgeable about the operations of your cooperative. We are glad to share with you on pages 24-25 your cooperative's most recent fiscal year's financial statement.

We are extremely proud that this great organization continues to be financially sound and strong. In an age of tighter budgets and rising costs, we strive to make educated decisions and search for the best quality of product for the money on all purchases. From the smallest details in our daily work to decisions involving major projects, we work diligently to operate your cooperative as efficiently as possible. The employees of Powell Valley Electric work together as a team each day to assure the electric service provided to you remains reliable and affordable.

Co-op leaders focus on opportunities at annual event

"Power and Opportunity" was the theme of the 77th annual meeting of the Tennessee Electric Cooperative Association, held Sunday, Nov. 18, through Tuesday, Nov. 20, in Nashville.

Representatives from Powell Valley Electric Cooperative joined more than 350 electric cooperative leaders from across the state who attended the event where they explored the impact of co-ops and challenged one another to meet the needs of their communities.

"Each day, electric co-ops enable the communities we serve to prosper," says

David Callis, executive vice president and general manager of the Tennessee Electric Cooperative Association. "Rural and suburban Tennessee is well positioned to grow, and our role in that success has been and continues to be significant. The powerlines we build carry more than power. They deliver power and opportunity."

Attendees to the two-day event heard experts and industry leaders discuss topics important to rural and suburban Tennessee, such as regulations, finance, economic development, power supply and broadband.

Tazewell Area Supervisor Ronnie Williams shares safety tips

Severe winter storms often bring heavy accumulation of ice and snow, which can lead to downed power lines and extended outages. Powell Valley Electric crews will work hard to restore power, but having a winter survival kit on hand is a smart idea.



- **Food:** Store food that does not require cooking, such as canned goods, crackers, dehydrated meats and dried fruit. Keep a large supply of water on hand. The website ready.gov recommends five gallons per person.
 - **Medication:** Be sure to refill all prescriptions in the event of a major power outage.
 - **Identification:** Keep all forms of identification handy, such as driver's licenses, photo IDs and social security cards. Bank account information and insurance policies are also good to have on hand.
 - **Other items:** First-aid kit, blankets, flashlight, battery-powered radio and extra batteries.
- If an outage occurs, you should plan for an alternate heating source. A fireplace, propane space heater or wood-burning stove would be sufficient. Fuel and wood-burning heating sources should always be vented, and make sure carbon monoxide and smoke detectors are working properly. Always practice extreme caution when using alternate heating sources. Follow these tips, and your family will stay warm in the event of a power outage. For more information on preparing for winter storms, visit ready.gov.

The Billing Corner

Cold weather got you down? We have many convenient ways to pay your electric bill without you ever leaving the comfort of your warm, cozy home. You can set your account up on automatic draft using a checking (or savings) account or a credit card, pay online at pve.coop, use your own online banking service, or call your local office and our customer service representatives will be glad to take your payment over the phone. Let's stay inside and drink a cup of hot chocolate (with marshmallows — yum!) because ... *Baby, It's Cold Outside!*

Note: A convenience fee of 2.45 percent is assessed when using a credit card.

Attention, High School Juniors

You are eligible to compete for a free trip to Washington, D.C.

High school juniors whose parents are members of Powell Valley Electric Cooperative are encouraged to participate in the Washington Youth Tour Writing Contest. The top four short stories will win a weeklong trip of a lifetime as part of the annual Washington Youth Tour.

The expense-paid trip will take place June 14-20. The deadline for submitting your short story is **March 1st**. If you would like to know more about the contest, please call Jessica Smith at 423-626-0723.

2019 VMDAEC Scholarship Deadline

Any high school or home-school senior graduating in the spring of 2019, 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. The online application is posted at vmdaec.com or co-opliving.com/community/scholarship and also lists eligibility requirements. The deadline to apply is **Friday, Feb. 8, 2019**.

Questions about donations and the application process should be directed to Sam Brumberg via email at scholarship@vmdaec.com.

Powell Valley Electric Cooperative Balance Sheet

For the Year Ended June 30

<u>ASSETS</u>	2017	2018	\$ Change	% Change
Electric Plant				
Electric Plant in Service	119,900,711	122,183,571	2,282,860	1.9%
Construction Work in Progress	620,591	252,481	(368,110)	-59.3%
Total Plant	120,521,302	122,436,052	1,914,750	1.6%
Accumulated Depreciation	(58,880,424)	(61,782,454)	(2,902,030)	4.9%
Net Electric Plant	61,640,878	60,653,598	(987,280)	-1.6%
Investments				
CFC Capital Term Certificates	1,127,744	1,127,744	-	0.0%
Capital in Associated Organizations	10,420	10,420	-	0.0%
Economic Development Loans	2,218,536	2,979,494	760,958	34.3%
Subtotal – Investments	3,356,700	4,117,658	760,958	22.7%
Current Assets				
Cash and Temporary Cash Investments	11,939,479	16,060,091	4,120,612	34.5%
Accounts Receivable Consumers (Net)	2,799,554	3,084,209	284,655	10.2%
Material and Supplies	419,245	478,988	59,743	14.3%
Prepaid Expenses	710,717	293,279	(417,438)	-58.7%
Other Current Assets	2,072,769	2,236,539	163,770	7.9%
Subtotal – Current Assets	17,941,764	22,153,106	4,211,342	23.5%
Other Assets and Deferred Debits				
TVA Heat Pump Loans Receivable	2,234,474	1,988,476	(245,998)	-11.0%
Other Loans Receivable	276,048	182,938	(93,110)	-33.7%
Pension Prepayment	891,868	729,710	(162,158)	-18.2%
Deferred GIS Field Inventory Cost	335,116	309,337	(25,779)	-7.7%
Deferred Fiber Communications	220,000	208,000	(12,000)	-5.5%
Subtotal – Other Assets / Def. Debits	3,957,506	3,418,461	(539,045)	-13.6%
Total Assets	86,896,848	90,342,823	3,445,975	4.0%
<u>LIABILITIES, EQUITIES, AND MARGINS</u>				
Equities and Margins				
Memberships	120,965	121,275	310	0.3%
Accumulated Net Margins	62,830,706	66,016,634	3,185,928	5.1%
Subtotal – Equities and Margins	62,951,671	66,137,909	3,186,238	5.1%
Long-Term Debt				
Rural Utilities Service (RUS)	19,458,058	18,742,648	(715,410)	-3.7%
RUS Advance Payments	(17,483,990)	(17,097,785)	386,205	-2.2%
CoBank	1,396,687	1,197,795	(198,892)	-14.2%
Economic Development Loans	2,518,536	3,279,494	760,958	30.2%
Net Long-Term Debt	5,889,291	6,122,152	232,861	4.0%
Current Liabilities				
Accounts Payable – Purchased Power	6,121,910	6,580,630	458,720	7.5%
Accounts Payable – Other	718,647	192,460	(526,187)	-73.2%
Consumer Security Deposits	1,000,300	1,013,910	13,610	1.4%
Accrued Expenses	361,033	173,969	(187,064)	-51.8%
Tax Accruals and Payroll Deductions	2,000,313	2,444,733	444,420	22.2%
Subtotal – Current Liabilities	10,202,203	10,405,702	203,499	2.0%
Other Liabilities and Deferred Credits				
Post Retirement Benefits	5,552,409	5,635,096	82,687	1.5%
TVA Heat Pump Loans Payable	2,301,274	2,041,964	(259,310)	-11.3%
Subtotal – Other Liabilities and Def. Credits	7,853,683	7,677,060	(176,623)	-2.2%
Total Liabilities, Equities, and Margins	86,896,848	90,342,823	3,445,975	4.0%

Powell Valley Electric Cooperative Comparative Income Statement

For the Year Ended June 30

	2017	2018	\$ Change	% Change
REVENUE				
Electric Sales				
Residential	34,447,985	36,940,349	2,492,364	7.2%
Small Commercial	4,994,962	5,160,030	165,068	3.3%
Large Commercial	16,050,063	15,308,444	(741,619)	-4.6%
Street and Outdoor Lighting	1,611,228	1,639,833	28,605	1.8%
Electric Sales – Subtotal	57,104,238	59,048,656	1,944,418	3.4%
Other Income				
Misc. Consumer Income	449,526	420,214	(29,312)	-6.5%
Rent From Electric Properties	1,401,928	1,461,009	59,081	4.2%
Rent From TVA Transmission Line	–	–	–	0.0%
Generator Revenue – TVA	725,677	734,188	8,511	1.2%
Interest / Patronage Income	1,067,917	1,139,942	72,025	6.7%
Other Income – Subtotal	3,645,048	3,755,353	110,305	3.0%
TOTAL REVENUE	60,749,286	62,804,009	2,054,723	3.4%
EXPENSE				
Power Cost				
Power Cost	44,862,478	46,700,679	1,838,201	4.1%
Power Credits	(719,147)	(794,888)	(75,741)	10.5%
Power Cost (Net)	44,143,331	45,905,791	1,762,460	4.0%
Operations & Maintenance				
Transmission / Generation Expense	55,344	47,406	(7,938)	-14.3%
Distribution Expense	6,708,691	5,775,330	(933,361)	-13.9%
Administrative Expense	3,312,866	2,981,500	(331,366)	-10.0%
Operations & Maintenance – Subtotal	10,076,901	8,804,236	(1,272,665)	-12.6%
Other Deductions				
Depreciation	4,087,368	4,149,808	62,440	1.5%
Interest – LTD	796,229	749,689	(46,540)	-5.8%
Other Expense	5,602	8,558	2,956	52.8%
Other Deductions – Subtotal	4,889,199	4,908,055	18,856	0.4%
Total Expenses	59,109,431	59,618,082	508,651	0.9%
Operating Income (Net)	1,639,855	3,185,927	1,546,072	94.3%
Non-Operating Income (Net)			–	0.0%
Net Income	1,639,855	3,185,927	1,546,072	94.3%