

A MESSAGE FROM YOUR GENERAL MANAGER

Randell Meyers | General Manager & CEO



Let's Build a Brighter Virginia

As I prepare this column, a tumultuous year is coming to a close, and I'm looking forward to the promise and opportunity that 2021 holds. The beginning of a new year is a time I pause before a blank slate, review the accomplishments and trials of the previous 12 months, and look ahead to my next goals.

Last year certainly presented challenges unlike any we've ever seen. A global pandemic led to economic hardship and combined with a divisive political climate. It's easy to let those struggles drag us down and dim our outlook on the days to come, but in reassessing how we've met these challenges, I'm certain that brighter days are ahead.

Here at Powell Valley Electric Cooperative, our dedicated employees have risen to the occasion. We adjusted our hours and policies to keep everyone safe. We continued our outreach to our communities — our hometowns — helping struggling neighbors in these uncertain times. Folks at the co-op buckled down in adopting new safety practices, all while continuing

to provide the high-quality service our consumer-members expect and deserve.

It hasn't always been easy, but our goal continues to be to go above and beyond in service to our communities. It's not enough to

simply supply electricity. At Powell Valley Electric Cooperative, we think of ourselves as craftsmen. That means we're not simply building something; we're building it well — with pride and purpose.

It's not enough for us to pick up the phone when you call with questions. We give you options for engaging with your electric cooperative so you can use the method that's most convenient for you. We ensure your safety in our lobbies and in the community where our employees work outside the office. We provide opportunity for our future members, encouraging the area's youth to dream big and helping them develop the skills they need to join tomorrow's workforce. We provide energy-saving information so you can get the most out of your energy dollars.

I can't express how proud I am of our entire team for showing such resilience. Like linemen who brave the fiercest weather or overcome long odds to string lines to the most remote reaches of our service area, all our employees are craftsmen with keen eyes and uncommon skills earned through busted knuckles and sleepless nights. Through service and sacrifice, we're the people who build stuff — artisans whose work in wood, wire and steel light the countryside and energize our communities.

Powell Valley Electric Cooperative takes great pride in the work we do, the infrastructure we build and the communities we serve. We are crafting the future of our rural and suburban areas — investing in comfort and connection, in energy and opportunity, in people and places.

We're building a brighter Virginia.

CONTACT US

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

Office Hours

Monday-Friday 8 a.m.-5 p.m.

Web
pve.coop



Email
info@pve.coop

Tazewell Office

All Inquiries: 423-626-5204

Jonesville Office

All Inquiries: 276-346-6003

Sneedville Office

All Inquiries: 423-733-2207

General Manager & CEO

Randell Meyers

Tazewell Area Supervisor

Ronnie Williams

Jonesville Area Supervisor

Jason Stapleton

Sneedville Area Supervisor

Joey Southern

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

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 20-21 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 take pride in the work they do each day to ensure the electric services provided to you remains reliable and affordable.



Electric blankets deliver quick warmth and include a variety of features like timers and dual temperature settings.

Five Ways to Stay Cozy this Winter

by Abby Berry

Baby, it's cold outside! When you're feeling chilly at home, there are several budget-friendly ways you can keep comfortable without turning up the thermostat. Here are five easy ways to stay cozy this winter.

1.

Whether you're experiencing extremely cold winter temps or you simply "run cold," an electric blanket can deliver quick warmth like a regular throw or blanket cannot. Electric blankets can include a variety of features, like timers and dual temperature settings (if your cuddle buddy prefers less heat). This winter, consider an electric blanket instead of turning up the heat, and your energy bill will thank you.

2.

One of the easiest ways to stay cozy at home is to keep your feet warm. Our feet play a critical role in regulating body temperature, so when your feet are warm, your body automatically feels warmer. Try a pair of comfortable wool socks or house slippers to stay toasty.

3.

On winter days when the sun is shining, take advantage and harness natural warmth from sunlight. Open all curtains, drapes and blinds in your home to let the sunshine in — you'll be able to feel the difference.

4.

Another way to make your home cozier is to use a humidifier. Cold air doesn't hold water vapor like warm air, so by adding humidity inside your home, you can feel a little warmer. A favorable level of humidity inside your home can also help clear sinuses, soften skin and improve sleep.

5.

Beyond adding visual appeal to your home, area rugs can also provide extra insulation and a warm surface for your feet on cold winter days. Use large area rugs in rooms where you spend the most time. You'll enjoy the new colors and textures of the rug, and the additional warmth will help keep your home comfortable.

These are just a few ways you can stay cozy this winter without turning up the thermostat. Don't forget the hot chocolate!



Abby Berry writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing electric cooperatives in Virginia, Maryland and Delaware, and across the country.

Adding humidity inside your home can make the air feel a little warmer.

Safety Tips



Ronnie Williams
Tazewell Area Supervisor

The extension cord you needed to stretch from your Christmas tree to the nearest outlet isn't needed anymore, now that the holiday season is over. Same goes for the ones that allowed you to plug in the strands of lights you placed around the house and the extra space heater you put in your guest room.

Pack extension cords up and put them away until next year.

Lots of people leave their extension cords plugged into lamps and appliances all year long. Those people are putting their homes and families at risk because extension cords, when used for extended periods, can overheat, shock someone or even cause a fire.

Extension cords are designed for temporary use — like during the holidays. Their continuous use tends to make them rapidly deteriorate, and that's not safe.

Some tips for extension-cord safety:

- Overloading extension cords makes an already dangerous situation even more risky.
- Like any cord or electrical device, keep them away from water. They're not safe when they run through snow and ice.
- A cord hidden under a rug or otherwise covered will probably overheat, and that's a fire hazard.
- Plug only one thing at a time into an extension cord.
- Replace worn and damaged extension cords. Do not use them.

If you're relying on extension cords past the holiday season, that's a sign that you don't have enough outlets in your rooms. Call a licensed electrician to add more.



Balance Sheet

	For the Year Ended June 30		Change	
	2019	2020	\$	%
ASSETS				
Electric Plant				
Electric Plant in Service	124,356,737	127,219,254	2,862,517	2.3%
Construction Work in Progress	148,923	2,011,960	1,863,037	1251.0%
Total Plant	124,505,660	129,231,214	4,725,554	3.8%
Accumulated Depreciation	(65,240,344)	(68,597,453)	(3,357,110)	5.1%
Net Electric Plant	59,265,316	60,633,761	1,368,444	2.3%
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	2,710,891	2,257,392	(453,499)	-16.7%
Subtotal - Investments	3,849,055	3,395,556	(453,499)	-11.8%
Current Assets				
Cash and Temporary Cash Investments	20,513,223	21,964,116	1,450,893	7.1%
Accounts Receivable Consumers (Net)	3,312,476	3,480,419	167,943	5.1%
Material and Supplies	556,761	1,651,777	1,095,016	196.7%
Prepaid Expenses	577,325	604,208	26,883	4.7%
Other Current Assets	2,143,947	2,125,778	(18,169)	-0.8%
Subtotal - Current Assets	27,103,731	29,826,297	2,722,566	10.0%
Other Assets and Deferred Debits				
TVA Heat Pump Loans Receivable	1,843,451	1,595,876	(247,575)	-13.4%
Other Loans Receivable	254,067	113,183	(140,885)	-55.5%
Pension Prepayment	567,552	405,394	(162,158)	-28.6%
Deferred GIS Field Inventory Cost	283,559	257,781	(25,778)	-9.1%
Deferred Fiber Communications	196,000	184,000	(12,000)	-6.1%
Subtotal - Other Assets / Def. Drs	3,144,629	2,556,234	(588,395)	-18.7%
Total Assets	93,362,732	96,411,848	3,049,116	3.3%
LIABILITIES, EQUITIES, AND MARGINS				
Equities and Margins				
Memberships	122,210	123,405	1,195	1.0%
Accumulated Net Margins	73,039,541	76,087,892	3,048,351	4.2%
Subtotal - Equities and Margins	73,161,751	76,211,297	3,049,546	4.2%
Long Term Debt				
Rural Utilities Service (RUS)	17,799,254	16,620,012	(1,179,243)	-6.6%
RUS Advance Payments	(16,308,054)	(15,129,016)	1,179,038	-7.2%
CoBank	1,068,015	931,733	(136,282)	-12.8%
Economic Development Loans	2,878,810	2,437,207	(441,603)	-15.3%
Net Long Term Debt	5,438,025	4,859,935	(578,089)	-10.6%
Current Liabilities				
Accounts Payable - Purchased Power	6,409,053	5,874,405	(534,648)	-8.3%
Accounts Payable - Other	444,635	959,389	514,754	115.8%
Consumer Security Deposits	1,040,118	1,080,224	40,106	3.9%
Accrued Expenses	166,603	2,992	(163,611)	-98.2%
Tax Accruals and Payroll Deductions	2,843,472	3,892,641	1,049,169	36.9%
Subtotal - Current Liabilities	10,903,881	11,809,651	905,770	8.3%
Other Liabilities and Deferred Credits				
Post Retirement Benefits	1,960,604	1,891,261	(69,343)	-3.5%
TVA Heat Pump Loans Payable	1,898,471	1,639,704	(258,767)	-13.6%
Subtotal - Other Liab. And Def. Cr	3,859,075	3,530,965	(328,110)	-8.5%
Total Liabilities, Equities, and Marg	93,362,732	96,411,848	3,049,116	3.3%

Comparative Income Statement

	For the Year Ended June 30		Change	
	2019	2020	\$	%
REVENUE				
Electric Sales				
Residential	36,208,377	34,783,960	(1,424,417)	-3.9%
Small Commercial	5,087,304	5,044,417	(42,887)	-0.8%
Large Commercial	15,273,982	14,460,268	(813,714)	-5.3%
Street and Outdoor Lighting	1,643,553	1,619,927	(23,626)	-1.4%
Electric Sales - Subtotal	58,213,215	55,908,571	(2,304,644)	-4.0%
Other Income				
Misc. Consumer Income	405,401	318,766	(86,635)	-21.4%
Rent From Electric Properties	1,541,375	1,877,276	335,901	21.8%
Rent From TVA Transmission Line	-	-	-	0.0%
Generator Revenue - TVA	732,049	732,018	(31)	0.0%
Interest / Patronage Income	1,272,597	1,664,770	392,174	30.8%
Other Income - Subtotal	3,951,421	4,592,830	641,409	16.2%
Total Revenue	62,164,636	60,501,402	(1,663,234)	-2.7%
EXPENSE				
Power Cost				
Power Cost	46,099,246	43,830,565	(2,268,681)	-4.9%
Power Credits	(798,488)	(652,217)	146,271	-18.3%
Power Costs (Net)	45,300,758	43,178,347	(2,122,411)	-4.7%
Operations & Maintenance				
Transmission / Generation Expense	46,019	40,751	(5,268)	-11.4%
Distribution Expense	5,661,575	6,360,129	698,554	12.3%
Administrative Expense	2,968,023	2,916,230	(51,792)	-1.7%
Ops. & Main. - Subtotal	8,675,617	9,317,110	641,494	7.4%
Other Deductions				
Depreciation	4,209,866	4,278,072	68,206	1.6%
Interest - LTD	701,870	660,014	(41,856)	-6.0%
Other Expense	18,577	19,507	930	5.0%
Other Deductions - Subtotal	4,930,313	4,957,594	27,281	0.6%
Total Expenses	58,906,688	57,453,052	(1,453,636)	-2.5%
Operating Income (Net)	3,257,948	3,048,350	(209,598)	-6.4%
FASB 106 Liability Adjustment	3,764,959		(3,764,959)	-100.0%
Net Income	7,022,907	3,048,350	(3,974,557)	-56.6%

Co-op Facts as of June 30, 2020

# of Customers by Rate		# of Customers by County	
Residential	26,702	Tennessee	
Small Commercial	5,611	Claiborne	16,277
Large Commercial	212	Grainger	1,081
Outdoor Lighting	200	Hancock	4,568
Total Customers	32,725	Hawkins	633
		Union	1,940
		Subtotal - Tenn.	24,499
		Virginia	
Miles of Line		Lee	6,944
Distribution	3,604	Scott	1,273
Transmission	41	Wise	9
Total Miles of Line	3,645	Subtotal - Va.	8,226
Customers per miles of line	9.1	Total Customers	32,725
# of full-time employees	59		
Property Tax Paid	\$629,377		

College Scholarships

Electric cooperatives in Virginia, Maryland and Delaware are now accepting applications for their popular scholarship 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, which since 2001 has provided almost 800 scholarships to graduating high school students totaling more than \$740,000.

"This program has helped hundreds of students advance their education and demonstrates once again how electric cooperatives are committed to their member-consumers and the communities they serve," says Richard G. Johnstone Jr., president and CEO of the VMD Association.

The application deadline is Friday, Feb. 19, 2021. Award recipients will be notified no later than June 1, 2021. The application and additional information is available at vmdaec.com/scholarship.

Any high school or homeschooled senior graduating in spring 2021, and whose primary residence is served by a VMD member cooperative (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 2021. Scholarship funds, which will be sent directly to the educational institution, must be used toward tuition, student fees, room and board, or textbooks.

To be considered complete, SAT and/or ACT score reports must come from the College Board. A score report must be uploaded by the student in the online application system. Scores listed on transcripts do not qualify. If a student has taken the SAT more than once, he or she can take the best score from each test ("Super Score"), but both tests must be submitted in the package to qualify.

If a student's ability to take a test has been affected by the COVID-19 pandemic, special arrangements may be made.

The Foundation's board of directors will select recipients based on these weighted criteria: financial need, academic achievement and personal statement.

Questions about donations and the application process should be directed to the scholarship program coordinator at scholarship@vmdaec.com.