

Annual Financial Statement

We are very proud that the cooperative continues to be financially sound, and we feel this trend is clearly reflected in our annual operating statements. 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. Our 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 customers. We are glad to share with you on pages 16-17 your cooperative's most recent fiscal year's financial statement.

FIBER UPDATE INFO as of 11/15/2021

Miles of backbone – 1,551
Services installed to the home – 2,160

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

Brad Coppock

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.*

Working With Local Legislators

“All politics is local.” This observation by the late Thomas P. “Tip” O’Neill Jr., former Speaker of the House of Representatives, means that even national politics have a local impact, and people care most about issues that directly affect them. Indirectly, this famous adage underscores the importance and value of local politics.

At Powell Valley Electric Cooperative, we think it’s critical to develop and cultivate relationships with local legislators because they craft, introduce and vote on legislation that impacts the local business climate, the environment and quality of life for our community. That’s why we work closely with our local elected officials. After all, our purpose is to provide safe, reliable, affordable energy, but our mission is to help our community thrive.

Powell Valley Electric Cooperative is a local business that powers economic development and prosperity for our region. As a cooperative, we have deep roots here, and we listen closely to our members to better understand the needs of the community. Our leadership, board members and employees live and work right here in the community we serve.

We strive to be an advocate for our community, ensuring that local legislators know, understand and act on the issues that are important to our area.

As a practical matter, we recognize that most legislators are “generalists,” yet they vote on a wide range of issues. Their expertise may not include the changing energy industry, which is why electric cooperatives provide guidance and expertise from subject matter experts who’ve been in the energy industry for many years.

Today’s energy landscape is an increasingly complex topic covering not only the traditional engineering and vegetation management aspects of the



Manager’s Message

*Brad Coppock
General Manager*

industry, but also encompasses technology, cybersecurity, the electrification of the transportation sector and more.

Our experts provide briefings and backgrounders to legislators, committees and staff, and we offer pertinent information for hearings and other legislative or regulatory meetings or gatherings. And because we’re involved in economic development and we know local community leaders, we can provide insight on how issues and policies under discussion might impact our region.

Powell Valley Electric Cooperative is a local business that powers economic development and prosperity for our region.

We strive to be a trusted resource on energy issues. Because of our deep roots in the community, we have a firm understanding of local issues and needs. We will continue looking after the long-term interests of our consumer-members. This means we are able to cultivate and foster positive, productive relationships with legislators who know and trust us, because we’re advocating on behalf of the community we serve.

We’re proud to power your life and bring good things to the community. We hope you’ll continue to advise Powell Valley Electric Cooperative on matters of importance so we can continue to advocate on your behalf and improve the quality of life for all.



Electric Cooperatives Accepting College Scholarship Applications

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, which since 2001 has provided approximately 780 scholarships to graduating high school students totaling more than \$800,000.

The open date for applications is Feb. 1, 2022, while the application deadline is April 1, 2022. Award recipients will be notified no later than June 1, 2022. The online application and additional information is posted at vmdaec.com/scholarship.

Any high school or homeschool senior graduating in spring 2022, 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 post-secondary or technical/trade school in the fall of 2022. 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 at 40%, academic achievement at 40% and personal statement at 20%. Questions about donations and the application process should be directed to scholarship@vmdaec.com.



POWELL VALLEY
ELECTRIC COOPERATIVE

Balance Sheet

	For the Year Ended June 30		Change	
	2020	2021	\$	%
ASSETS				
Electric Plant				
Electric Plant in Service	127,219,254	129,401,816	2,182,562	1.7%
Construction Work in Progress	2,011,960	4,022,905	2,010,945	99.9%
Total Plant	129,231,214	133,424,721	4,193,507	3.2%
Accumulated Depreciation	(68,597,453)	(71,474,279)	(2,876,826)	4.2%
Net Electric Plant	60,633,761	61,950,442	1,316,681	2.2%
Investments				
CFC Capital Term Certificates	1,127,744	1,075,290	(52,454)	-4.7%
Capital in Associated Organizations	10,420	10,420	-	0.0%
Economic Development Loans	2,257,392	1,695,604	(561,788)	-24.9%
Subtotal - Investments	3,395,556	2,781,314	(614,242)	-18.1%
Current Assets				
Cash and Temporary Cash Investments	21,964,116	14,954,228	(7,009,888)	-31.9%
Accounts Receivable Consumers (Net)	3,480,419	10,635,900	7,155,481	205.6%
Material and Supplies	1,651,777	4,452,188	2,800,411	169.5%
Prepaid Expenses	604,208	272,994	(331,214)	-54.8%
Other Current Assets	2,125,778	2,403,452	277,674	13.1%
Subtotal - Current Assets	29,826,297	32,718,762	2,892,465	9.7%
Other Assets and Deferred Debits				
TVA Heat Pump Loans Receivable	1,595,876	1,582,799	(13,077)	-0.8%
Other Loans Receivable	113,183	75,386	(37,797)	-33.4%
Pension Prepayment	405,394	243,236	(162,158)	-40.0%
Deferred GIS Field Inventory Cost	257,781	232,003	(25,778)	-10.0%
Deferred Fiber Communications	184,000	172,000	(12,000)	-6.5%
Subtotal-Other Assets/Def. Drs	2,556,234	2,305,424	(250,810)	-9.8%
Total Assets	96,411,848	99,755,942	3,344,094	3.5%
LIABILITIES, EQUITIES AND MARGINS				
Equities and Margins				
Memberships	123,405	125,320	1,915	1.6%
Accumulated Net Margins	76,087,892	80,475,627	4,387,735	5.8%
Subtotal - Equities and Margins	76,211,297	80,600,947	4,389,650	5.8%
Long Term Debt				
Rural Utilities Service (RUS)	16,620,012	9,454,023	(7,165,989)	-43.1%
RUS Advance Payments	(15,129,016)	(8,049,760)	7,079,256	-46.8%
CoBank	931,733	788,341	(143,392)	-15.4%
Economic Development Loans	2,437,207	1,995,604	(441,603)	-18.1%
Net Long Term Debt	4,859,935	4,188,208	(671,727)	-13.8%
Current Liabilities				
Accounts Payable - Purchased Power	5,874,405	6,206,637	332,232	5.7%
Accounts Payable - Other	959,389	2,214,261	1,254,872	130.8%
Consumer Security Deposits	1,080,224	1,004,282	(75,942)	-7.0%
Accrued Expenses	2,992	2,534	(458)	-15.3%
Tax Accruals and Payroll Deductions	3,892,641	2,140,309	(1,752,332)	-45.0%
Subtotal - Current Liabilities	11,809,651	11,568,023	(241,628)	-2.0%
Other Liabilities and Deferred Credits				
Post Retirement Benefits	1,891,261	1,772,313	(118,948)	-6.3%
TVA Heat Pump Loans Payable	1,639,704	1,626,451	(13,253)	-0.8%
Subtotal-Other Liab. and Def. Crs	3,530,965	3,398,764	(132,201)	-3.7%
Total Liabilities, Equities, and Margins	96,411,848	99,755,942	3,344,094	3.5%

Comparative Income Statement

	For the Year Ended June 30		Change	
	2020	2021	\$	%
REVENUE				
Electric Sales				
Residential	34,783,960	35,663,236	879,276	2.5%
Small Commercial	5,044,417	5,150,485	106,068	2.1%
Large Commercial	14,460,268	13,648,929	(811,339)	-5.6%
Street and Outdoor Lighting	1,619,927	1,620,105	178	0.0%
Electric Sales - Subtotal	55,908,571	56,082,755	174,184	0.3%
Other Income				
Misc. Consumer Income	318,766	57,530	(261,236)	-82.0%
Rent From Electric Properties	1,877,276	1,870,797	(6,479)	-0.3%
Rent From TVA Transmission Line	-	-	-	0.0%
Generator Revenue - TVA	732,018	781,958	49,940	6.8%
Interest / Patronage Income	1,664,770	2,369,274	704,504	42.3%
Other Income - Subtotal	4,592,830	5,079,559	486,728	10.6%
Total Revenue	60,501,402	61,162,314	660,912	1.1%
EXPENSE				
Power Cost				
Power Cost	43,830,565	43,124,465	(706,100)	-1.6%
Power Credits	(652,217)	(716,286)	(64,069)	9.8%
Power Costs (Net)	43,178,347	42,408,179	(770,168)	-1.8%
Operations & Maintenance				
Transmission / Generation Expense	40,751	42,053	1,302	3.2%
Distribution Expense	6,360,129	6,135,446	(224,683)	-3.5%
Administrative Expense	2,916,230	3,166,943	250,713	8.6%
Ops. & Main. - Subtotal	9,317,110	9,344,442	27,332	0.3%
Other Deductions				
Depreciation	4,278,072	4,336,167	58,095	1.4%
Interest - LTD	660,014	374,322	(285,692)	-43.3%
Other Expense	19,507	311,470	291,963	1496.7%
Other Deductions - Subtotal	4,957,594	5,021,959	64,365	1.3%
Total Expenses	57,453,052	56,774,580	(678,472)	-1.2%
Operating Income (Net)	3,048,350	4,387,734	1,339,384	43.9%
			-	0.0%
Net Income	3,048,350	4,387,734	1,339,384	43.9%

Co-op Facts as of June 30, 2021

# of Customers by Rate	
Residential	27,120
Small Commercial	5,850
Large Commercial	212
Outdoor Lighting	198
Total Customers	33,380
Miles of Line	
Distribution	3,604
Transmission	41
Total Miles of Line	3,645
Customers per miles of line	9.3
# of full-time employees	67
Property Tax Paid	\$626,570

# of Customers by County	
Tennessee	
Claiborne	16,593
Grainger	1,106
Hancock	4,670
Hawkins	642
Union	2,047
Subtotal - Tenn.	25,058
Virginia	
Lee	7,023
Scott	1,289
Wise	10
Subtotal - Va.	8,322
Total Customers	33,380



Safety Tips

Ronnie Williams
Area Supervisor,
Tazewell

Electrical fires in the home kill nearly 500 people every year, according to the National Fire Protection Association. These kinds of fires spread quickly as the electricity arcs through wires throughout the home and fries equipment, appliances and other devices in the household.

Wiring and “related equipment” start more than 60% of electrical home fires, the Association reports. Lighting fixtures, including lamps and bulbs, account for 20%. And plugs and cords are responsible for 11% of electrical fires.

The fire hazard often begins once the equipment wears out or is overloaded or overheated.

The best way to prevent an electrical fire: Get rid of defective wires. If you notice that a cord, wire or appliance is broken, overheating or acting inconsistently, unplug it.

If an electrical fire does start in your home, don't throw water on it. Even during a fire, water and electricity create the danger of electrocution. Instead, douse the fire by smothering the flame with a heavy blanket or by throwing baking soda on it. Or, spray it with a Class C fire extinguisher. A tip: Class A extinguishers are water-based, so you should not use one on an electrical fire.



Fire classes. Source: Adapted from CBMDF (CORPO..., 2009).

Finally, avoid using extension cords for prolonged use; they're designed as a temporary way to reach a far-away outlet. Extension cords can cause people to trip over them, and when they're hidden under a rug, they can overheat and start a fire.

A Way to Care and Conserve Our Communities ... with Stand in the Gap Coalition!

The comments that follow are from organizers of the Stand in the Gap Coalition. We have long recognized that low incomes and lack of resources in our area have been driving contributors to many of the social issues we are experiencing every day in our communities. At PVEC our mission is to improve the lives of those we serve, and we are constantly working toward ways to do just that, whether it is through economic development projects; our goal to provide broadband services to our members, and of course providing reliable power at the lowest cost possible. Our involvement in the Coalition movement is another effort to help meet the needs of people of our area.

In these times of very competitive organizations, businesses, cooperatives, it is important to find dependable service to our communities. No doubt, provisioning to our homes is of greatest importance ... especially here in east Tennessee, Kentucky and southwest Virginia. Essential to our homes is the service we come to appreciate from Powell Valley Electric Cooperative.

Did you know that another cooperative service is ready to assist you in a more healthy and safe home life? The Stand in the Gap Coalition is your local area Prevention Coalition, bringing you the Truth about Substance Abuse and Addiction Processes from just across the road from PVEC and the Claiborne County Fairgrounds.

Founded in Cumberland Gap, TN in the fall of 2010, SIGCO has continually been in service to the Tri-State community in promoting drug awareness and prevention education to our communities. Today, a well known fact across our nation is the scourge of drug abuse and illicit drug activity with prescription medicine.

***Cooperative Efforts** in service to our homes and communities benefit everyone toward a brighter future. SIGCO has several active programs through many different*

agencies and singularly as well. A recent combined effort program is a Juvenile Training Curriculum where SIGCO is working with the Claiborne County Juvenile Justice Center when a youth has been first involved with the Juvenile Court System. This new training program, designed and offered by SIGCO, introduces the juvenile to "better choices" for their personal life, and presents them with the "Truth about Drugs" and the subsequent Addiction Processes that may follow poor choices. This training is conducted on site at the SIGCO campus, and the parents/guardian of participants must accompany them through this three-hour training event. Upon successful completion, each youth receives a certificate of completion to present to the CCJC Juvenile Department.

***Medicine Cabinets in your homes ...** Have you ever just surveyed the age and contents of the many pill bottles in your homes? A nationwide survey shows that first contact for unauthorized access or use is in our homes, and by a 13-year-old young person. This contact may be a harmless curiosity or a potentially lethal dare from another source! Reaching out to our local communities with this information is a basic function of SIGCO. Additionally, SIGCO provides metal lock boxes, fully wall mountable and lockable, to any home environment where requested.*

Just stop by 325 Straight Creek Road, New Tazewell, TN 37825, at PVEC's old main office building, and request this powerful home protection device that is yours FREE for the asking!

***Helping someone "Say No"** to illicit and illegal drug activity is a very caring effort by anyone. The Stand in the Gap Coalition wants to join you in that effort. When you suspect that your child or loved one may be getting involved with potentially harmful drug activity, it is very important to give them some leverage, some way, to HELP "SAY NO" to the influences which are trying to take them toward poor choices. SIGCO*



offers a totally free drug-test kit that is Saliva based and performed in the privacy of your homes. "GIVE ME A REASON" is the name for this full 12-panel drug testing kit (including alcohol). It gives someone the reason to say "No," because they know this voluntary test has been established at their home. This free drug test-kit cannot be used for any legal action, but it powerfully helps brings truth and honesty into the home. Helping your loved one or child to "Say no" to drugs is the message of this program and SIGCO.

***Finding a way to join our Cooperative Efforts** should be of upmost importance to our families and communities. Sometimes, we find someone who has just awakened to needing dedicated help in moving away from a life of substance abuse and addiction processes, but they just don't know where to turn. SIGCO is ready to assist you or your families to finding a more healthy and safe life and relationships with other. There are many programs and organizations throughout our society today that promote their rehabilitation processes and programs. But, how do you determine which program is best for you? Assisting you with making contact and assessing a rehab program is a service that SIGCO is interested in for all our families and peoples of the PVEC service area. This service is private and confidential ... meeting your needs is the goal and priority of SIGCO.*

***Cooperatives ... A Great Way to Assist and Care for our Communities!** Where do you fit in this process? Being a volunteer is the best place to start. The Stand in the Gap Coalition has something for you to do that will benefit our families, children and communities where we live. There is something special about service! COOPERATIVES WORK for You! Get Started Today!*
