



# 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](http://pve.coop)

You may also contact us at [info@pve.coop](mailto: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

There is much to celebrate about our unique state — from good food to good people. Every issue of this magazine highlights some of the remarkable things that happen in Virginia, and there are countless accomplishments worthy of the spotlight. Unfortunately, we know that rural and suburban Tennessee and Virginia face significant challenges as well.

From healthcare to education to unemployment, rural and suburban communities lag behind the state's urban centers in several important measures.

In November, representatives from Powell Valley Electric Cooperative attended the Tennessee Electric Cooperative Association's annual meeting in Nashville.

The theme for this year's event was "The Power to Be." Throughout the meeting attendees were reminded that, though electric co-ops provide power, they also empower their members to live rich and full lives.

It is this focus on people that sets co-ops apart. We know that our purpose — our very reason to exist — is about something far more profound than simply keeping the lights on. It is about empowering our consumer-members to not just survive, but to thrive.

Our co-ops are uniquely positioned to have a positive impact on the people and communities we serve. From infrastructure to education to communications, co-ops invest more money in rural areas than almost any other group. We know that our communities matter, and we have a vested interest in their success.

We also believe that Tennesseans and Virginians should not be limited by where they choose to live. Powell Valley Electric Cooperative is committed to closing the gap between opportunities that exist in places like Nashville and Chattanooga and those that exist in New Market, Centerville and hundreds of other rural and suburban communities.

The continued success of co-ops and the communities we serve depend on people choosing to live and raise their families here — not in spite of the limitations but because of the abundant opportunities.

Tennessee and Virginia certainly face challenges, but I honestly believe that electric co-ops, more than most any other group, have the power to be agents for change — to push and lead our communities to a brighter and more abundant future.

I also recognize that we cannot tackle these challenges alone.

As we begin a new year, let me encourage you to find a way to get involved in your community. Whether it is volunteering to read to schoolchildren or participating in a clothing drive at your church, start the new year off with a focus on serving others.

Northeast Tennessee and southwest Virginia are already fantastic places to live and raise a family, but together we have the power to be more.

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 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, 2019

<b># of Customers by Rate</b>		<b># of Customers by County</b>	
Residential	26,485	<b>Tennessee</b>	
Small Commercial	5,490	Claiborne	16,039
Large Commercial	220	Grainger	1,038
Outdoor Lighting	206	Hancock	4,671
<b>Total Customers</b>	<b>32,401</b>	Hawkins	526
		Union	1,923
<b>Miles of Line</b>		<b>Subtotal - Tennessee</b>	<b>24,197</b>
Distribution	3,561	<b>Virginia</b>	
Transmission	33	Lee	6,926
<b>Total Miles of Line</b>	<b>3,594</b>	Scott	1,269
		Wise	9
<b>Customers per mile of line</b>	<b>9.1</b>	<b>Subtotal - Virginia</b>	<b>8,204</b>
		<b>Total Customers</b>	<b>32,401</b>
<b># of Full-time Employees</b>	<b>57</b>	<b>Property Tax Paid</b>	<b>\$ 675,125</b>

# Annual Financial Statement

Because Powell Valley Electric is a member-owned organization, we want to keep you informed 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 very proud that the cooperative continues to be financially sound and strong. With costs continuing to rise now more than ever, it is important to make educated decisions on all purchases and search for the best quality of product for the money. The employees of Powell Valley Electric take pride in the work they do each day to assure the electric services provided to you remains reliable and affordable.

## PVEC participates in Co-op Day of Service

As part of this year's Tennessee Electric Co-op Day of Service and in keeping with our principle of "Concern for Community," Powell Valley Electric Cooperative prepared and distributed more than 500 care bags to residents of all the nursing homes in the service area.



Activities Director Jamie Mickles, PVEC employee Jason Stapleton and Business Office Manager Angie Mosley



## Tazewell Area Supervisor Ronnie Williams shares safety tips

When winter temperatures drop and storms hit, it can be challenging to stay safe and warm. Winter storm severity varies depending on where you live, but nearly all Americans are affected by extreme winter storms at some point. Powell Valley Electric Cooperative cares about your safety, and we want you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous. During a power outage, our crews will continue to work as quickly and safely as possible to restore power, but there are a few things you can do to prepare yourself.



- **Stay warm** – Plan to use a safe alternate heating source, such as a fireplace or wood-burning stove during a power outage. These are great options to keep you and your loved ones warm, but exercise caution when using, and never leave the heating source unattended. If you are using gasoline-, propane- or natural gas-burning devices to stay warm, never use them indoors. Remember that fuel- and wood-burning sources of heat should always be properly ventilated. Always read the manufacturer's directions before using.
- **Stay fed** – The CDC recommends having several days' supply of food

that does not need to be cooked handy. Crackers, cereal, canned goods and bread are good options. Five gallons of water per person should also be available in the event of an extended power outage.

- **Stay safe** – When an outage occurs, it usually means power lines are down. It is best not to travel during winter storms, but if you must, bring a survival kit along, and do not travel alone. If you encounter downed lines, always assume they are live. Stay as far away from the downed lines as possible, and report the situation to our dispatchers.

Winter weather can be unpredictable and dangerous, and planning ahead can often be the difference between life and death. For more winter safety tips, visit [www.ready.gov/winterweather](http://www.ready.gov/winterweather).

## 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 19-25. The deadline for submitting your short story is Feb. 14. If you would like to know more about the contest, please call Jessica Smith at 423-626-0723.

## 2020 VMDAEC Scholarship

Electric cooperatives are preparing to accept 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' (VMDAEC) Education Scholarship Foundation, which since 2001 has provided almost 800 scholarships to graduating high school students totaling more than \$680,000.

The open date for applications is Monday, Nov. 4, while the application deadline is Friday, Feb. 28, 2020. Award recipients will be notified no later than June 1, 2020. The online application is posted at [vmdaec.com/scholarship](http://vmdaec.com/scholarship).

Any high school or home-schooled senior graduating in spring 2020, and whose primary residence is served by Powell Valley Electric, 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 2020. Scholarship funds, which will be sent directly to the educational institution, must be used toward tuition, student fees, room and board, or textbooks.

Questions about donations and the application process should be directed to Sam Brumberg, scholarship program coordinator, at [scholarship@vmdaec.com](mailto:scholarship@vmdaec.com).

## Powell Valley Electric Cooperative Balance Sheet

**For the Year Ended June 30**

<b>ASSETS</b>	<b>2018</b>	<b>2019</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Electric Plant</b>				
Electric Plant in Service	122,183,571	124,356,737	2,173,166	1.8%
Construction Work in Progress	252,481	148,923	(103,558)	-41.0%
<b>Total Plant</b>	<b>122,436,052</b>	<b>124,505,660</b>	<b>2,069,608</b>	<b>1.7%</b>
Accumulated Depreciation	(61,782,454)	(65,240,344)	(3,457,890)	5.6%
<b>Net Electric Plant</b>	<b>60,653,598</b>	<b>59,265,316</b>	<b>(1,388,282)</b>	<b>-2.3%</b>
<b>Investments</b>				
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	2,979,494	2,710,891	(268,603)	-9.0%
<b>Subtotal – Investments</b>	<b>4,117,658</b>	<b>3,849,055</b>	<b>(268,603)</b>	<b>-6.5%</b>
<b>Current Assets</b>				
Cash and Temporary Cash Investments	16,060,091	20,513,223	4,453,132	27.7%
Accounts Receivable Consumers (Net)	3,084,209	3,312,476	228,267	7.4%
Material and Supplies	478,988	556,761	77,773	16.2%
Prepaid Expenses	293,279	577,325	284,046	96.9%
Other Current Assets	2,236,539	2,143,947	(92,592)	-4.1%
<b>Subtotal – Current Assets</b>	<b>22,153,106</b>	<b>27,103,731</b>	<b>4,950,625</b>	<b>22.3%</b>
<b>Other Assets and Deferred Debits</b>				
TVA Heat Pump Loans Receivable	1,988,476	1,843,451	(145,025)	-7.3%
Other Loans Receivable	182,938	254,067	71,129	38.9%
Pension Prepayment	729,710	567,552	(162,158)	-22.2%
Deferred GIS Field Inventory Cost	309,337	283,559	(25,778)	-8.3%
Deferred Fiber Communications	208,000	196,000	(12,000)	-5.8%
<b>Subtotal – Other Assets / Def. Debits</b>	<b>3,418,461</b>	<b>3,144,629</b>	<b>(273,832)</b>	<b>-8.0%</b>
<b>Total Assets</b>	<b>90,342,823</b>	<b>93,362,732</b>	<b>3,019,909</b>	<b>3.3%</b>
<b>LIABILITIES, EQUITIES, AND MARGINS</b>				
<b>Equities and Margins</b>				
Memberships	121,275	122,210	935	0.8%
Accumulated Net Margins	66,016,634	73,039,541	7,022,907	10.6%
<b>Subtotal – Equities and Margins</b>	<b>66,137,909</b>	<b>73,161,751</b>	<b>7,023,842</b>	<b>10.6%</b>
<b>Long-Term Debt</b>				
Rural Utilities Service (RUS)	18,742,648	17,799,254	(943,394)	-5.0%
RUS Advance Payments	(17,097,785)	(16,308,054)	789,731	-4.6%
CoBank	1,197,795	1,068,015	(129,780)	-10.8%
Economic Development Loans	3,279,494	2,878,810	(400,684)	-12.2%
<b>Net Long-Term Debt</b>	<b>6,122,152</b>	<b>5,438,025</b>	<b>(684,127)</b>	<b>-11.2%</b>
<b>Current Liabilities</b>				
Accounts Payable – Purchased Power	6,580,630	6,409,053	(171,577)	-2.6%
Accounts Payable – Other	192,460	444,635	252,175	131.0%
Consumer Security Deposits	1,013,910	1,040,118	26,208	2.6%
Accrued Expenses	173,969	166,603	(7,366)	-4.2%
Tax Accruals and Payroll Deductions	2,444,733	2,843,472	398,739	16.3%
<b>Subtotal – Current Liabilities</b>	<b>10,405,702</b>	<b>10,903,881</b>	<b>498,179</b>	<b>4.8%</b>
<b>Other Liabilities and Deferred Credits</b>				
Post Retirement Benefits	5,635,096	1,960,604	(3,674,492)	-65.2%
TVA Heat Pump Loans Payable	2,041,964	1,898,471	(143,493)	-7.0%
<b>Subtotal – Other Liabilities and Def. Credits</b>	<b>7,677,060</b>	<b>3,859,075</b>	<b>(3,817,985)</b>	<b>-49.7%</b>
<b>Total Liabilities, Equities, and Margins</b>	<b>90,342,823</b>	<b>93,362,732</b>	<b>3,019,909</b>	<b>3.3%</b>

## Powell Valley Electric Cooperative Comparative Income Statement

For the Year Ended June 30

	2018	2019	\$ Change	% Change
<b>REVENUE</b>				
<b>Electric Sales</b>				
Residential	36,940,349	36,208,377	(731,972)	-2.0%
Small Commercial	5,160,030	5,087,304	(72,726)	-1.4%
Large Commercial	15,308,444	15,273,982	(34,462)	-0.2%
Street and Outdoor Lighting	1,639,833	1,643,553	3,720	0.2%
<b>Electric Sales – Subtotal</b>	<b>59,048,656</b>	<b>58,213,215</b>	<b>(835,441)</b>	<b>-1.4%</b>
<b>Other Income</b>				
Misc. Consumer Income	420,214	405,401	(14,813)	-3.5%
Rent From Electric Properties	1,461,009	1,541,375	80,366	5.5%
Rent From TVA Transmission Line	–	–	–	0.0%
Generator Revenue – TVA	734,188	732,049	(2,139)	-0.3%
Interest / Patronage Income	1,139,942	1,272,597	132,655	11.6%
<b>Other Income – Subtotal</b>	<b>3,755,353</b>	<b>3,951,421</b>	<b>196,068</b>	<b>5.2%</b>
<b>TOTAL REVENUE</b>	<b>62,804,009</b>	<b>62,164,636</b>	<b>(639,373)</b>	<b>-1.0%</b>
<b>EXPENSE</b>				
<b>Power Cost</b>				
Power Cost	46,700,679	46,099,246	(601,433)	-1.3%
Power Credits	(794,888)	(798,488)	(3,600)	0.5%
<b>Power Cost (Net)</b>	<b>45,905,791</b>	<b>45,300,758</b>	<b>(605,033)</b>	<b>-1.3%</b>
<b>Operations &amp; Maintenance</b>				
Transmission / Generation Expense	47,406	46,019	(1,387)	-2.9%
Distribution Expense	5,775,330	5,661,575	(113,755)	-2.0%
Administrative Expense	2,981,500	2,968,023	(13,477)	-0.5%
<b>Operations &amp; Maintenance – Subtotal</b>	<b>8,804,236</b>	<b>8,675,617</b>	<b>(128,619)</b>	<b>-1.5%</b>
<b>Other Deductions</b>				
Depreciation	4,149,808	4,209,866	60,058	1.4%
Interest – LTD	749,689	701,870	(47,819)	-6.4%
Other Expense	8,558	18,577	10,019	117.1%
<b>Other Deductions – Subtotal</b>	<b>4,908,055</b>	<b>4,930,313</b>	<b>22,258</b>	<b>0.5%</b>
<b>Total Expenses</b>	<b>59,618,082</b>	<b>58,906,688</b>	<b>(711,394)</b>	<b>-1.2%</b>
<b>Operating Income (Net)</b>	<b>3,185,927</b>	<b>3,257,948</b>	<b>72,021</b>	<b>2.3%</b>
<b>FASB 106 Liability Adjustment</b>	<b>–</b>	<b>3,764,959</b>	<b>3,764,959</b>	<b>0.0%</b>
<b>Net Income</b>	<b>3,185,927</b>	<b>7,022,907</b>	<b>3,836,980</b>	<b>120.4%</b>