



Winter Newsletter 2020

Important Update: Meeting Cancellation

At its October meeting the ATVG Board decided to not hold the ATVG January 2021 meeting due to ongoing COVID-19 issues and in accordance with the CDC guidelines. The next scheduled meeting is being planned for late April 2021. Current plans are to meet in Mississippi in April and Alabama in July but all dates remain tentative. ATVG will schedule small group lunches and dinners as outreach opportunities in early spring to remain in contact with our membership.

December 2020

High-Speed Fiber Blitz

2,700-mile TVA fiber blitz passes quarter-way mark in effort to modernize the electric grid. TVA is stretching 2,700 miles of high-speed fiber across the Tennessee Valley in an effort to build a modernized electric grid. The \$300-million investment is enhancing both transmission capability and security through the integration of emerging technologies.

The elaborate fiber network is positioning the Valley as a hub for large manufacturers and job producers whose operations hinge upon automation, robotic assembly and sustained power quality. "We want to make every electron flowing through our transmission lines count," said Aaron Melda, senior vice president, TVA Transmission & Power Supply. "This project is going to increase our remote switching capability. This new system will give us the ability to predict versus react, which will help us prevent transmission failures and load-not-served conditions. That's an immediate cost benefit for our customers and stakeholders."

In addition to maintaining system reliability and bolstering the region's economic development potential, TVA's fiber efforts are creating information superhighways that are now helping local power companies and third-party providers connect homes and businesses to high-speed internet. According to Senior Program Manager for Strategic Fiber Shane Beasley, all new fiber-line paths are being re-analyzed to current National Electric Safety Code reliability and loading standards. Structural upgrades are being implemented where required.

"As a design team we made a conscious decision from the beginning to bring all impacted lines up to current design code," Beasley said. "An effort of this magnitude needs to meet the most current engineering standards, and a side benefit to that is increased system reliability and a reduced maintenance burden in the future." To date, TVA linemen have strung more than 700 miles of new 144-strand fiber cable and have replaced a large number of wooden power poles with galvanized transmission structures. Comprised of 12 line crews and two helicopter teams, the agency's linemen are capitalizing on the autumn window as temperatures continue to lower system demand and create favorable opportunities for planned work outages.

Regardless, the daunting task of hanging fiber-optic cable across the 80,000-square-mile service territory will not be complete until 2027 due to the sheer scope of the project. For reference, 2,700 miles is the equivalent distance between New York City and Las Vegas, Nevada.



“All our linemen have a hand in it, but it’s a joint effort,” said TVA Helicopter Line Foreman Andy Reagan. “We leave a little extra on the end of each pull and the telecom guys come in behind us and connect all the fibers in the splice cans. The big deal is getting our entire transmission system interconnected, but when we’re finished it’s going to open up a lot of doors for these rural communities.

“High-speed internet access is as critical in today’s world as electricity was in 1933. We’re not in the commercial broadband business, but we are here to make life better for the 10 million people we serve,” said Kristie Goodson, TVA’s Dark Fiber Specialist.

Coming Home to Oxford

The Lafayette County Courthouse, a white, Greek Revival-style building on the National Register of Historic Places, sits at the center of The Square. It is surrounded by modern-day boutiques, restaurants, world-renowned independent bookstores and art galleries.

The contrast is striking, or a representation of what Oxford truly is, a football town with a thriving arts community, the largest university in Mississippi in an area with a large population of retirees, folks buying a second summer home while others struggle to make rent.

More residents can now find affordable housing in Oxford, Mississippi, thanks to a partnership with the city, builders, the local power company and TVA.

“For the last at least 10 years, land in Oxford has been exorbitantly expensive,” says the owner of Rosedale Corporation. He said the environment started to change five years ago when Mississippi’s Housing Finance Agency changed the funding mechanisms to make purchasing higher price land financially feasible with moderately restricted rents. He also says Mayor Tannehill helped clear any final hurdles.

TVA EnergyRight’s New Homes Program also helped. Offered in partnership with Oxford Utilities, it drives investment in the communities TVA and Oxford Utilities serve by providing incentives for new construction including affordable housing.

“The New Homes program not only gives opportunities for builders and developers, but it can help lower that cost for a family to have a new home. And typically, a new home is the largest single investment a family makes,” says TVA employee David Sparks.

To qualify for incentives, developers must build all electric, energy-saving homes. “We don’t want our customers’ bills to be so high that they can’t afford to pay their bill,” says Oxford Utilities manager Rob Neely. “So, we would like for the customers to have the energy they need and that they can afford. In turn, they can take those savings and make investments, spend money in the community.”

“We are a tourism community,” says Mayor Tannehill. “So affordable housing becomes a huge issue for us. People invest their heart and soul into this community to make it what it is. We want them to be able to afford to live here as well.”



Fly Fishing's Unlikely Following

Who would have guessed that old-fashioned fly fishing would captivate a whole new generation? But it's true; the Zen-like practice is attracting millennials by the boatload.

There are many nicknames for the generation born between 1980 and 2000; they include Digital Natives, the Boomerang Generation, or simply millennials. From coffee to clothing, marketers track their passions closely, watching the buying habits of more than 83 million individuals. But recently, there was a trend that no one saw coming.

Fishing, specifically fly fishing, was partly an answer to social distancing prompted by COVID-19. Due in part to the younger generation's enthusiasm, TVA's public lands and waters saw a substantial uptick in use in 2020. Suddenly, these individuals, known for coveting computer games and cell phones, were craving hiking, biking and the perfect cast.

In reality, this trend had been growing for a while, and why not? Fly fishing is a terrific fit for a peer group that appreciates authenticity and loves a good cause. Did we mention they put the "social" in social media?

The tailwaters below TVA's South Holston Dam promote a [world-class, fly fishing environment](#), thanks in part to oxygen-rich waters promoted by an aerating labyrinth weir. A series of concrete barriers causes oxygen to infuse and enrich the water as it tumbles over the hurdles and ripples downstream.

TVA Invests in Local Communities

As the nation's largest supplier of public power and one of the top producers of electricity, the Tennessee Valley Authority provides low-cost, reliable, and clean electricity for 10 million people across the seven-state service area.

But TVA's unique, long-standing mission of service focuses on much more than just energy. TVA and its more than 10,000 employees are committed – each and every day – to improving the quality of life for communities and people across the Tennessee Valley.

Here are some of the ways TVA and its employees made a difference for Valley communities in the past year:

- More than 800,000 meals were provided to those in need through TVA's partnership with the Feeding America program.
- TVA employees volunteered 4,500 hours of service to 200 charitable organizations, working in partnership with local power companies and communities.
- TVA invested more than \$1.1 million in STEM education (science, technology, engineering, and math), and sponsored more than 350 robotics teams and 200 competitions, helping to build the workforce of the future.
- An additional \$3 million was invested with Valley charitable and community organizations to support education, human services and community enrichment.
- Employees in TVA's new Generating Justice Pro Bono program have volunteered the equivalent of up to \$110,000 in legal services so far. This benefits people who need help with civil issues such as domestic violence, eviction, and debt relief but cannot afford legal fees.

"Our commitment to the communities and people we serve is at the foundation of public power, and it is integral to our mission of service," said Jeannette Mills, TVA executive vice president and chief external relations officer. "Now, more than ever, these programs have a profound impact across the Valley," said Mills. "From food banks to schools and legal advice, we are putting people first, prioritizing health, wellness, and security where there's a need."



TVA Maintains Reliability and Low Rates in 2020

The Tennessee Valley Authority reported \$10.2 billion in total operating revenues on more than 151 billion kilowatt-hours of electricity sales for the fiscal year 2020. Sales of electricity were about 5% lower compared to the prior year due to overall milder weather and impacts of the COVID-19 pandemic.

Total operating revenues decreased about 9% from the prior year driven primarily by lower sales volume, lower effective base rates, and lower fuel cost recovery revenues. TVA estimates base revenues were approximately \$185 million lower due to the impacts of the COVID-19 pandemic.

TVA’s fuel, purchased power, operating and maintenance, tax equivalents, and interest expense were all lower in 2020 than in 2019. TVA’s fuel and purchased power expense was 15% lower year-over-year, primarily driven by lower effective fuel rates and lower energy sales due to impacts of milder weather and COVID-19, as well as the increased generation of nuclear power.

“TVA’s strong financial position helped us absorb the impacts of the pandemic in 2020 and still provide extra support for our customers,” said Jeff Lyash, TVA president and chief executive officer. “And TVA was in a position to reduce effective power rates for customers for 2021, when our communities need relief the most. This would not have been possible without the ongoing financial discipline of our employees.”

Operating and maintenance expense was \$370 million lower, driven primarily by less project write-offs and regulatory asset recovery for certain environmental cleanup costs that did not occur in the current year. TVA continues to implement various cost savings initiatives in response to the COVID-19 impacts. Interest expense was \$1,142 million in 2020, which was a 5% decrease from 2019, driven by lower average debt balances. TVA’s debt has decreased to the lowest level in over 30 years.

“TVA is one of the most competitive utilities in the nation, as our results through 2020 demonstrate,” said John Thomas, TVA’s chief financial officer. “The effective rate our customers pay is among the lowest in the country, and has been stable for the past seven years even while we have reduced debt by \$6 billion and invested over \$15 billion in the power system and we remain on target to keep rates stable for this decade.”

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ATVG advocates for the interests of county and
city/town governments residing within the seven
state TVA region and their partners in the public
and private sectors.

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of work,
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*Merry Christmas
And
Happy New Year
From your friends at ATVG*