



Bristol Tennessee Essential Services

Electric • Internet • Telephone • Cable

News

Spring 2011 ~ For Customers of Bristol Tennessee Essential Services

City of Bristol Named Top Ten Story in Southern Business and Development Magazine



The city of Bristol Tennessee, with the help of BTES, was recently recognized as a top ten story in *Southern Business and Development Magazine* for being selected as a pre-qualified data center site. See the article below:

Bristol Tennessee joined an elite group of locations identified by a Deloitte Consulting study as a TVA pre-qualifier for a data center site. Bristol is one of only 12 locations in the seven-state Tennessee Valley region to receive the designation.

As a pre-qualifier, Bristol West Industrial Park, located at 420 Bristol West Boulevard near the Tennessee/Virginia border, meets the criteria for electric service, fiber service, site considerations, labor accessibility and low risk for natural disasters – all of which are necessary for a data center environment, according to the Deloitte economic development study sponsored by the Tennessee Valley Authority.

The 12 sites named are considered ready for development and meet necessary criteria to support a major data center project. TVA is partnering with local power distributors like BTES and regional, state and community economic development leaders to begin marketing these sites as part of the region's data center project recruitment initiative.

The presence of state-of-the-art fiber optics was a major factor in Bristol's selection, according to BTES CEO Mike Browder.

"Having Deloitte Consulting and TVA recognize the attributes of our area places Bristol West in the spotlight as a readily available site for the data industry," Browder says. "BTES and the city of Bristol provide the assets to meet the criteria data companies are seeking.

"This designation confirms the vision that BTES had when we developed a state-of-the-art fiber-to-the-user system via an all-fiber network to serve all of our 33,000 electric customers," Browder adds. "Our system is powered by Alcatel-Lucent's gigabit passive optical network (GPON) technology. Our vision of adding fiber optic services to our highly reliable electric system continues to enhance our ability to attract technology companies and promote economic growth in our area.

"We look forward to working with our community partners, the city of Bristol Tennessee and NETWORKS – Sullivan Partnership, in providing the best in economic opportunities."



BTES CEO Mike Browder and Business Development Manager April Eads visit the 25-acre property available at Bristol West Industrial Park.

John Bradley, senior vice president for TVA economic development, confirmed that demand for data centers is growing as increased use of electronic commerce and information technologies require more data storage space.

"There are exceptional opportunities for regional growth potential in this industry," Bradley says. "The Bristol Tennessee site has the resources, infrastructure and other qualities needed to support strong data center development. Data centers provide highly skilled, good-paying job opportunities. TVA's goal is to help make the region more competitive in attracting and retaining these types of industries and the economic benefits associated with them."

TVA and Deloitte Consulting's search for data center-friendly environments included evaluation of ready-for-development primary sites. Deloitte, a Chicago-based consulting firm, specializes in audit, consulting, financial advisory, risk management and tax services. Deloitte assessed more than 50 sites across TVA's service area, considering factors such as robust telecommunications connectivity, with long-haul fiber optics from multiple carriers; abundant water resources; low business and personal taxation rates; ample supply of well-educated workers from 83 four-year colleges and universities in the Tennessee Valley; location within 500 miles of 75 percent of the U.S. population; convenient access to commercial airports and interstate highways; and low risk of natural disasters.

In This Issue

- Gigabit Community Financials
- Heat Pump Contractors
- Landscaping Tips

"We"

While reading a health article by Dr. Joseph Mercola, I was stopped by a quote from an unknown author. "The i in illness is isolation, and the crucial letters in wellness are we."



There have been many studies that demonstrate wellness benefits and connecting with others. For instance, in a study of two identical groups of babies - one received touching and the other did not - the group that did not receive touching was sicker, with many of the babies dying. It seems to me that it would take a mad person to run such an experiment. Of course, this experiment would be illegal in the United States.

Studies indicate that people are healthier in hospitals, nursing homes and living alone if they have a dog or cat. The personal contact of a family member or friend works even better.

My education and experience, in addition to electrical engineering and financial management, includes organizational development. For an organization to be healthy, the "we" must be a driving force in all activities every day.

My maternal grandfather, Lee Hardin, taught me that a small group of bright, hardworking, motivated people who worked together and were honest and open with each other could out-produce a much larger group that was competing and playing constructive mind games within itself. Education and experience have reaffirmed what he taught me.

When I came to BTES in the 1970s, our goal was to be the best electric distribution utility. The "best" meant service to our customers, employees and community. A major part of the measure of "best" was reliability (percentage of time your power is on) and price (how much we add to your cost of each kilowatt-hour to deliver the power from TVA to you). These are considered together. We work with hundreds, maybe even thousands, of instances where we make decisions on cost and reliability.

When we researched the possibility of entering the internet, telephone and cable TV business, it was a major "we" decision. The power board and staff attended seminars, engaged in discussions with others in these businesses, and conducted studies on service and pricing. We looked at ways to make the electric system more reliable — while even lowering cost.

It was decided that we could make Bristol a center of high-speed data at a very reasonable cost. We could provide very good telephone service and very good cable service while making our electric system smarter, which helps both in reliability and cost.

With a goal of being the best today and even better tomorrow, we are working as a total team to bring the best of these utility services to you.

"We" in wellness works to make organizations healthier also! We wish you a great day and...

Good Luck!

Mike Browder

BTES News

Owned and published by
Bristol Tennessee Essential Services,
serving more than 33,000 customers

Dr. R. Michael Browder
Chief Executive Officer

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suggestions should be sent to
P.O. Box 549, Bristol, TN 37621.
BTES Website: www.btes.net

Editor: Leslie Boughers

Our Mission

To provide service to our customers,
employees and community that exceeds
their expectations.

Our Vision

To be the best electric, Internet,
telephone and cable television provider.

Did You Know?

- You can access your BTES e-mail from anywhere. Just go to mail.btes.tv to sign in.
- You can access your BTES home telephone voicemails from anywhere. Just dial 423-573-0191 to sign in.
- If you experience a power outage and you have any of BTES' fiber services, you do not need to call BTES. The outage is automatically reported for you!
- Many technical support questions can be answered by simply visiting our support website at support.btes.tv.



1 GIGABIT COMMUNITY

Every Business. Every Home.

The Right Place to Live

Bristol is:

- Uniquely located on the Tennessee/Virginia state line
- In the middle of the nation's distribution chain
- Within a day's drive of more than 70 percent of the U.S. population
- Part of the Tri-Cities metro area that boasts a regional population base of 450,000

The ACCRA* Cost of Living Index for the Tri-Cities metro area is 88.6, compared to the nationwide average of 100.

Bristol provides the essential facilitators for economic growth:

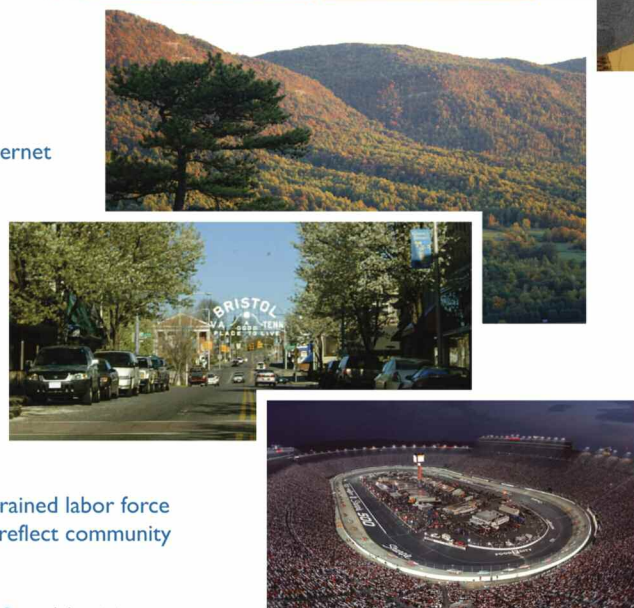
- Accessibility
- Well-organized transportation
- State-of-the-art broadband capability
- Trained workforce
- 50 motor freight carriers, two railroads, Tri-Cities Regional Airport (offering jet and air carrier service less than 15 miles away)

Interstate 81 ties Bristol to population centers in Knoxville, Tenn.; Roanoke, Va.; and Asheville, N.C., via Interstates 26, 77 and 40.



The Right Place to Connect

Ultra high-speed fiber optic connections in the Bristol Tennessee community provide some of the fastest broadband Internet service available in the United States – at speeds 200 times faster than most areas. The Bristol Tennessee Essential Services system, with its expansive broadband network in its utility service area, works in partnership with Alcatel-Lucent's gigabit passive optical network (GPON) technology to **offer speeds of 1 gigabit per second to every home and business in the entire BTES electric service area.**



The Right Place to Work

Bristol and the surrounding region enjoy a well-balanced industrial, agricultural and manufacturing base. A dedicated, well-trained labor force of 80,000 employees produce quality products and services that reflect community support for business and industry growth.

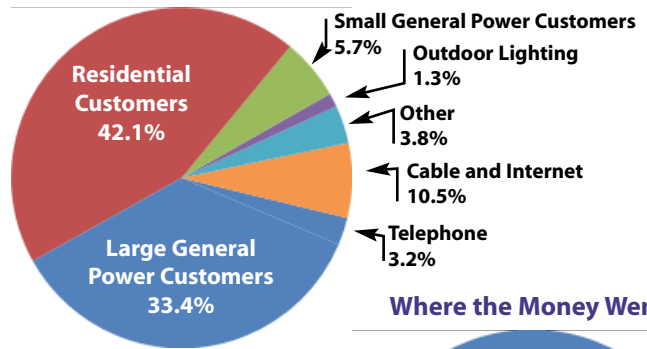
* Council for Community and Economic Research, formerly the American Chamber of Commerce Research Association.

2009-2010 Condensed Financial Report

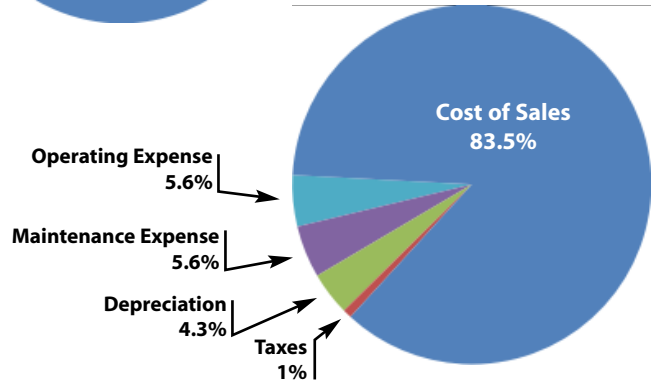
Balance Sheet

ASSETS	Year Ended June 30	
	2010	2009
<i>Current Assets</i>		
Cash and cash equivalents	8,260.2	7,913.1
Accounts receivable:		
Trade	6,433.0	5,260.6
Other	742.3	964.3
Allowance for bad debt	-619.6	-533.1
Accrual for unbilled revenue	2,992.2	3,498.9
Interest receivable	19.0	28.2
Materials and supplies inventories	1,067.1	1,084.7
Current portion of customer notes receivable	410.0	385.0
Current portion of discounted energy unit	933.5	883.7
Franchise fee overpayment due from City of Bristol, TN	-	15.2
Prepaid expenses and other current assets	108.5	112.5
Total Current Assets	20,346.2	19,613.1
<i>Property, Plant and Equipment</i>		
Property, Plant and Equipment in service	126,207.1	121,040.1
Less accumulated depreciation	-51,123.7	-48,122.9
Net Plant	75,083.4	72,917.2
Construction in progress	2,750.9	1,733.3
Non-utility property	250.4	250.5
Net Capital Assets	78,084.7	74,901.0
<i>Other Assets</i>		
Customer notes receivable, less current portion	2,280.5	2,191.6
Long-term investments	8,000.0	8,000.0
Prepaid pension cost	453.3	508.7
Discounted energy units, less current portion	1,499.9	2,433.3
Unamortized bond issue costs	301.2	312.8
Other	-	12.4
Total Other Assets	12,534.9	13,458.8
Total Assets	110,965.8	107,972.9
LIABILITIES AND CAPITALIZATION		
	2010	2009
<i>Current Liabilities</i>		
Trade account liabilities	7,083.5	6,409.1
Unbilled power expense	-	3,054.4
Customer deposits	2,078.7	1,675.8
Economic development accounts payable	-	213.7
Franchise fee due to City of Bristol, TN	41.5	-
Interest payable	335.8	342.6
Deferred revenue	523.1	416.3
Other accrued liabilities	1,144.1	1,123.7
Current portion of bonds payable	485.0	470.0
Total Current Liabilities	11,691.7	13,705.6
<i>Other Noncurrent Accrued Liabilities</i>	595.6	-
Bonds Payable	22,439.0	22,938.6
Earnings invested in system assets	76,239.5	71,328.7
Total Liabilities and Capitalization	110,965.8	107,972.9

Where the Money Came From



Where the Money Went



Statement of Revenues, Expenses and Changes in Retained Earnings

	Year Ended June 30	
	2010	2009
Operating Revenue	89,290.3	95,302.2
<i>Operating Revenue Deductions</i>		
Cost of sales	68,741.5	78,006.5
Operating expense	4,581.6	4,042.5
Maintenance	4,636.1	4,129.8
Depreciation	3,583.0	3,388.0
Taxes and tax equivalent	489.5 *	407.1
Social Security taxes	291.8	275.3
Interest expense on customer deposits	11.0	11.0
Total Operating Expense	82,334.5	90,260.2
Net Operating Income	6,955.8	5,042.0
<i>Other Income</i>		
Interest	589.5	816.2
<i>Debt Expense</i>		
Interest expense	-998.1	-1,013.1
Amortization of bond issue costs	-11.6	-11.6
Income before transfers and income taxes	6,535.6	4,833.5
State income tax expense	-66.4	-44.1
Transfers out	-1,558.4 **	-1,444.4
Net Income	4,910.8	3,345.0
Earnings invested in system assets - Beginning of year	71,328.7	67,983.7
Earnings invested in system assets - End of year	76,239.5	71,328.7

Auditing Firm Coulter & Justus P.C. gave BTES an unqualified opinion which states that the financial statements are presented fairly in accordance with generally accepted accounting principles. The complete report is available for review at the BTES office on Volunteer Parkway.

*This figure includes in lieu of taxes paid to these entities as follows: City of Bluff City - \$10,686; County of Sullivan - \$455,859; and County of Washington, Virginia - \$1,095.

**\$1,558,418 paid to City of Bristol for taxes.



Quality Contractors Best for Spring Remodeling

BTES recently recognized our Heat Pump Quality Contractors Network Members for providing great service and high quality to our customers.

We surveyed every customer purchasing an electric heat pump through the Energy Savings Loan Program (although you don't have to make the loan to use the benefits of this program) and the results were tremendous! Our customers are satisfied with the contractors, their staff, the quality of work, BTES' staff and our entire program.

Each heat pump installed through the BTES program goes through a 40-point inspection. This inspection can prevent most problems. Contractors know up front what is expected and do their best to meet this high standard of excellence.

Through the Energy Savings Loan Program, BTES provides no-money-down financing and a free inspection for the following items:

- **Energy-efficient heat pump**
- **Attic insulation and ventilation**
- **Floor insulation and ventilation**
- **Insulated replacement windows**
- **Insulated exterior doors**
- **Insulated garage doors (automatic garage door openers can be included)**
- **Electrical service upgrades**
- **Storm doors**

Payments can be added to a customer's electric bill if the customer qualifies for financing. Contact our Energy Advisor Kevin Frederick at (423) 793-5547 to make plans for your home improvements!



Among the Quality Contractors to receive awards were: (L to R) Phil McCrary (J & M Heating and Cooling), John Legg (John Legg's Heating and Air Conditioning) and Jerry O'Dell (Air Movers, Inc.). These contractors each scored 100 percent in the categories of highest sales volume and highest quality.

BTES/TVA Quality Contractor Network Members

Advanced Heating & A/C, Inc.
 Air Movers, Inc.
 Bristol Heating and Air Conditioning
 Childress Heating, A/C, & Refrigeration
 Climate Controllers, Inc.
 Farnsworth Heating and Plumbing Co., Inc.
 Gilliam's Heating & Cooling
 Harkleroad Brothers, Inc.
 J&M Heating and Cooling
 John Legg's Heating & Air Conditioning
 Keen's Heating and Cooling
 Kingsport Heating & A/C
 Refrigeration Service of Blountville, Inc.
 Tri-City Air Conditioning Company, Inc.

THE ESSENTIALS \$99⁷⁵

Plus taxes and fees

A complete package of services from BTES

- **Expanded Basic Cable**
(Channels 2-82)

- **6Mbps High-Speed Internet**

- **Basic Telephone Service**

Caller ID w/Name and Number, Call Waiting/Cancel Call Waiting, Caller ID for Call Waiting,
 Unconditional Call Forwarding, Remote Access to Call Forwarding, Three-Way Calling, Speed Calling (One Digit)

- **Unlimited Long-Distance**



Five Fast Ways to Unspoil Your Child

Are you worried that your children are spoiled? Richard Bromfield, Harvard Medical School psychologist and author of *How to Unspoil Your Child Fast*, offers these five tips to take charge.

- 1. Stand Strong.** Be tough and unyielding when it comes to saying no. "Wishy-washy unspoilment" won't work.
- 2. Avoid idle threats.** Yelling, counting to three and threatening consequences that you do not implement can weaken your authority. State your expectations clearly and keep to them.
- 3. Be a parent, not a pal.** Parents want to be friends, not dictators. But sometimes, children need to hear a simple "no" or "because I am the parent and I say so."
- 4. Don't bargain.** Parents train their children to be mini-lawyers. Don't barter for every bit of cooperation. We know who has the energy to win endless battles and it is not the parents.
- 5. Buy, do less.** Giving into fewer whims teaches "critical life skills" of appreciation and patience.

The Lighter Side

Susan watched as the cashier rang up her purchases.

"Cash, check or charge?" the cashier asked after bagging her items.

As Susan fumbled through her purse for her wallet, the cashier noticed a television remote control in her purse.

"Do you always carry your tv remote with you?" the cashier asked.

"No," she replied, "but my husband refused to come shopping with me and I figured this was the best retaliation."



Favorite Recipes of BTES employees and customers

Sausage Gravy

- | | |
|---------------------------------|---------------------------|
| 1 pound bulk pork sausage | 1/4 teaspoon black pepper |
| 6 tablespoons all-purpose flour | 1/2 teaspoon salt |
| 4 cups milk | |

Crumble sausage in skillet; cook over medium-high heat until no longer pink. Drain all but 2 tablespoons of drippings. Stir in flour; cook over medium heat until mixture bubbles and turns golden. Stir in milk; add seasonings. Cook, stirring, until thickened. Serve over hot biscuits. Yields about 4 servings.

Party Pinwheels

By BTES Supervisor of Customer Service Diane Smith

- | | |
|-------------------------------------|---------------------|
| 2 packages of softened cream cheese | 8 flour tortillas |
| 1 package ranch dressing mix | 1 red pepper, diced |
| 3 celery stalks, diced | Green onions, diced |

Combine softened cream cheese and ranch dressing mix. Spread on tortilla. Sprinkle with red pepper, celery and green onion. Roll up like a burrito. Chill for one hour. Slice and serve.

Also try with lunch meat and shredded cheese or other vegetables of your choosing!





Landscaping Around BTES Equipment

Ever wonder about that above-ground metal box or ground-level junction box in your neighborhood or your own front yard? These boxes house high-voltage and/or fiber optic utility equipment that can pose a serious safety hazard if treated or handled inappropriately. If BTES equipment is obstructed, the time to repair and restore service can be greatly slowed.

In the event of an equipment failure or a power outage, it is important that our workers have safe access to equipment to make needed repairs. Therefore, for your safety and that of our workers, there are regulations that limit landscaping around electrical equipment. Trees, shrubs, fences, large landscape rocks or other obstructions are not permitted in access areas around electrical equipment. BTES customers should know where utility lines and equipment are located on their property and keep that area clear of all obstructions.

Keep your family safe by:

1. Allowing ventilation to the box. Adequate air is needed to keep the boxes cool and working properly or they may become fire hazards.
2. Leaving the boxes uncovered. Do not build a shed around it, fence it in or hide it with shrubbery.
3. Encouraging children to play away from the boxes, which may be hot or have sharp edges.

It is always better for our customers to plan ahead and landscape away from BTES equipment than for BTES to be forced to remove the landscaping in order to work on lines or equipment safely and quickly.



This picture from a location in the BTES service area shows how to landscape incorrectly around BTES equipment. BTES needs full access to our equipment for regular maintenance and in case of an outage.



Lineman John Meade (L) and Working Foreman Rick Taylor (R) demonstrate why it is important for BTES to have clear access to BTES equipment.

Signs and Pole Attachments Pose Hazards



Photo of a pole in the BTES service area.

All signs — whether it is a garage sale sign, for sale sign, political sign or work solicitation sign — posted on a utility pole pose a hazard for linemen.

When nailed to a utility pole, signs, along with bird houses, flags, basketball hoops and other items, can make a lineman's job increasingly difficult, as well as dangerous.

Working on electric lines is a serious matter and requires the safest work environment possible. Even the nails and staples used to attach items can become safety hazards because they can punch holes in gloves, causing an electrocution hazard. In addition, putting holes in poles shortens the life of the pole, creating an unnecessary expense for BTES and our customers.

Please don't cause a hazardous situation for the people who are working to ensure you have reliable electric service or who may be trying to restore your power following an outage.



Bristol Tennessee Essential Services

Electric • Internet • Telephone • Cable

U.S. Postage Paid
Presort Standard
Permit 72
Bristol, TN



TENNESSEE FIBER OPTIC COMMUNITIES



Your Comments Are Important

Please list the articles you found most interesting in this issue of **BTES News**, then clip out this form and mail it with your electric bill to the address below. (Spring 2011)

- 1. _____
- 2. _____
- 3. _____

Other comments, story ideas or questions.

Please return to:
BTES News, P.O. Box 549, Bristol, TN 37621
Phone (423) 793-5511

Name and address (Optional)

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