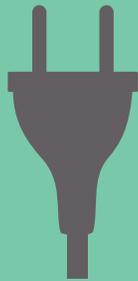




1,000 Strong.

A Single Vision.



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report

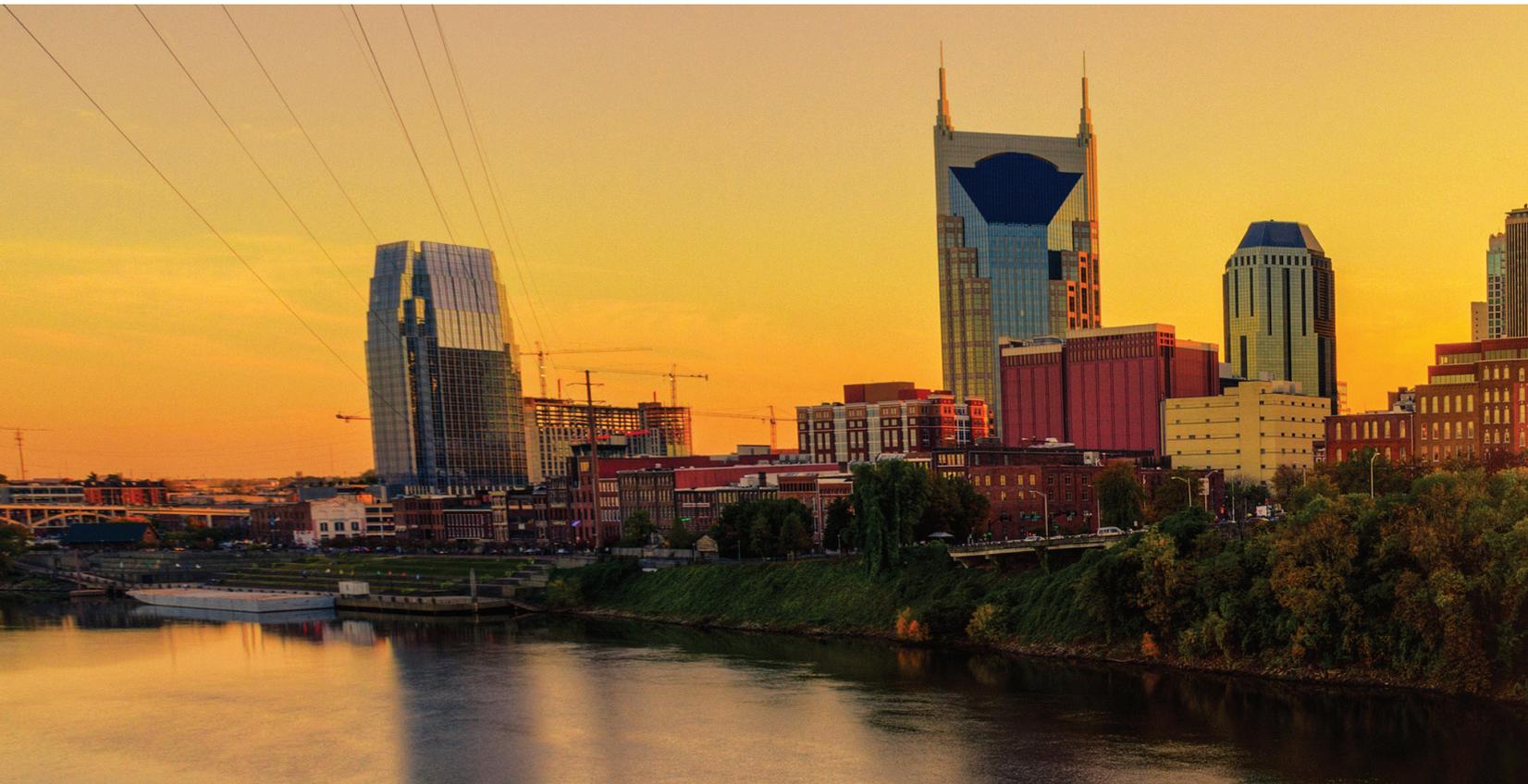


# purpose

We are the "1,000 Strong"

Proudly powering Nashville for 75 years  
with a single vision  
of responsibility to all we serve.





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NES' mission is to provide safe, reliable and affordable power that benefits our customers, employees and community.



## president's letter

As we celebrate 75 years of serving our neighbors in the Nashville area, we are placing even more emphasis on what makes our NES family so special - a single vision of service.

We are 1,000 employees strong with a commitment to serving Middle Tennessee by providing safe and reliable power in a financially responsible way.

Proof of this rests in some of our proudest accomplishments over the last year. For the third time in a row, NES received the American Public Power Association's RP3 Diamond Award for excellence in reliability, safety, workforce development and system improvement.

We sold bonds generating \$117 million in funds for capital needs and maintained our AA+ bond rating. We saved \$2.8 million with the Peak Load Management project and completed four major engineering capital projects and more than \$51 million in substation capital improvements.

Our single vision extends beyond power provision and financial responsibility to our commitment as a community partner. NES employees have played an active role in volunteer capacities since the beginning.

NES is commemorating its 75th anniversary with a year-long pledge to give back through 75 acts of service in the community. It is an intentional pursuit to honor our Middle Tennessee neighbors with at least 75 meaningful acts ranging from organized volunteer efforts to random acts of kindness.

While the campaign is new, NES employees have a long history of service in the community. In the following stories, we'll explore how the 1,000 strong continue to exemplify our single vision and how their impact is invaluable. Our role as a utility provider and as a champion for the community is a privilege we do not take lightly.



President and Chief Executive Officer

## a legacy of leadership

Throughout NES' 75 years of service to Middle Tennessee, much has changed in the way of power distribution and financial management. But the one constant is its dedicated workforce.

Every NES milestone is the result of the intelligent and committed men and women who have powered Nashville since NES was formed in 1939.

NES' legacy is evident in its long-term, forward-thinking leaders.

Retired President and CEO Paul Hembree is a testament to the organization's emphasis on agile, people-focused leadership.

He began his career with NES as a junior engineer in 1947. He eventually transitioned into finance, where he rose through the ranks to president and CEO in 1977 before his retirement in 1985.

Hembree's fondest recollections of his time at NES are anchored in a responsibility to its workforce and a dedication to technological advancement.

His approach to leadership was simple: Focus on the people, and let each one know they are valuable and appreciated.

"The key to having a good organization and operation is having good people," Hembree said.

He made great strides in improving the organization by streamlining direct reporting and finding new ways to generate revenue, all while keeping an eye on the future.

In addition, Hembree's experience as an engineer spearheaded the transition of residential service from an aging 4kV infrastructure to a safer and more reliable 13.8kV system.

His legacy of NES being a safe and reliable power utility with a focus on its workforce continues in today's leadership, headed by President and CEO Decosta Jenkins.

Much like Hembree's expertise in engineering defined NES' past, Jenkins' expertise in accounting and financial management shapes NES' future.

After a career in financial consulting at Deloitte, Jenkins began his NES tenure as director of budgets, finance and planning as well as treasurer in 1991. He then served as chief financial officer and secretary-treasurer until he was appointed to president and CEO in 2004.

"I believe that if you take care of the details, the big picture will take care of itself," Jenkins explained. "I like to get to the heart of issues and opportunities by meeting directly with NES employees throughout the system."

Jenkins' detailed approach to management can be found in his respect for the human capital of NES. As a show of support to all NES employees, he successfully restructured the pension and medical plans to improve coverage and ultimately make NES solvent.

This long-term legacy of savvy, agile leadership supports the single vision of NES and echoes throughout its 1,000 strong workforce as they continue to provide safe and reliable power to Middle Tennessee.





*Left to right: Paul Hembree reflects back on his years of leadership as NES president and CEO from 1977-1985 with current President and CEO Decosta Jenkins.*

## innovations at work

As a utility critical to metropolitan infrastructure, NES is focused on providing safe and reliable power to Middle Tennessee while also staying on the cutting edge of technology.

“Modernization is not only about the latest piece of equipment, it’s also about maximizing what’s already in place,” explained Wes Allen, vice president of engineering at NES.

“Power systems are complex in the sense that all the parts must work together all of the time,” Allen continued. “NES is essentially the main conduit that takes energy generated by TVA and delivers it to our customers. Our systems and how they perform are entirely dependent on the energy we distribute. And the energy required is entirely dependent on population growth and usage demands.”

As Music City continues to boom, NES is staying ahead of the city’s growth with careful planning and scheduled infrastructure improvements. Allen leads the engineering team charged with evaluating assets as they exist while also projecting future growth on the system to position NES to handle the added demand for electricity.

The engineering research and long-range planning in 2014 produced four specific innovations with a focus on reliability, capacity and maintenance.

The first major change involved the removal of above-ground power lines, poles and equipment in the SoBro area. A joint effort between NES and Metro allowed for the construction of a massive underground tunnel, near the Music City Center, that houses approximately 98,000 feet of cable.

The second innovation was moving away from lead insulated cables on the NES system to the more reliable rubber insulated cables. Rubber cabling is a better and safer electrical conductor and requires less technical expertise to install and maintain. The switch allowed for improved reliability and better asset management.

The third significant engineering advancement involved upgrading NES substations while reducing their footprint. Utilizing a gas-insulated switch gear instead of open air, the Peabody Substation uses a dramatically smaller piece of land than any other NES substation and provides for more reliable power to about one-third of the downtown business district.

Finally, NES continuously looks for opportunities to modernize obsolete mechanical operations. The engineering team routinely changes out manual pull switches to digital touch screens across its substations. Additionally, NES is in the process of transitioning from analog to digital meters to improve service and power quality for customers and to better manage the energy load on its system.



*Left to right: NES vice presidents Dennis Boehms, Wes Allen and Don Hill inspect distribution switch gear in the Peabody Substation.* 9

## powering small business

Dreamers helped build Nashville's thriving economy one idea at a time. From sparks of extraordinary creativity to the simple evolution of a career, successful small businesses are started here every day.

The Nashville Business Incubation Center (NBIC) understands the monumental act of courage it takes to strike out on one's own.

"Many people are committed to starting companies, but few are disciplined enough to do so," says Angela Crane-Jones, executive director of NBIC. "We help companies with passion, purpose and a plan become sustainable businesses."

NBIC serves as a coach to local entrepreneurs who need assistance in the art of building a business. It guides small business owners from an idea to an actionable business plan and provides counseling in marketing, human resources and legal services along the way.

In the last year, NBIC businesses have created 64 jobs and employed a total of 234 people.

One of those small business partners, or "acorns" as they are affectionately called, has grown into a mighty oak. U-Kno Catering, owned and operated by Brenda Odom, is a food-service company skilled in high-quality meals for special events and cafeteria services for a number of companies in the Nashville area. Within three years of entering NBIC, U-Kno needed to double its size.

"Working with NBIC has been the best experience I've had as a business owner!" Odom exclaimed. "When you come into this program, you have to take full advantage of the mentoring, administrative and legal services."

NES learned about U-Kno through the incubation center. U-Kno signed a five-year contract to provide cafeteria services at NES' headquarters and recently accepted a three-year contract renewal.

"The U-Kno Catering team has formed great friendships with the folks at NES," Odom said. "NES has become like a second home."

The real question remains: What's the most popular dish in the NES cafeteria?

"NES loves our fried chicken! I took it off the menu for a few weeks to introduce other options. Needless to say, that didn't last long! We cook a lot of other Southern staples and standard lunch fare, so we rotate options frequently," Odom explained. "They couldn't live without their fried chicken for more than two weeks. It was the best compliment ever."





Left to right: Brenda Odom, founder and CEO of U-Kno Catering, pictured with Angela Crane-Jones, executive director of the Nashville Business Incubation Center



## everyday heroes

There are thousands of moving parts within NES run by dedicated teams who work around the clock to ensure the lights stay on. Each role is as important as the next. However, our linemen have one of the most dangerous and physically taxing jobs in the world.

Linemen are the first responders when storms hit and power goes out. They can be found suspended in the air in a bucket truck or climbing poles to make repairs and manage live wires. Linemen work in unpredictable conditions to ensure electricity is safely and reliably delivered to Middle Tennessee.

"Our job is very dangerous. We train for many years before we are certified to work in the field," explained David Baker, a working foreman with more than 20 years of experience.

NES linemen report to work every day knowing they will encounter live currents that are likely fatal if not managed correctly. With this in mind, NES goes above and beyond to ensure their safety.

Over the years, safety equipment and measures have dramatically evolved. NES remains focused on adopting new methods and providing all the necessary training and protective gear to allow its linemen to confidently and safely perform their jobs.

NES uses the latest fall-restraint climbing equipment and rubber safety gloves. NES also empowers linemen to request that electricity be cut to live wires if necessary to safely work on the lines. Safety records prove that the linemen perspective is the most accurate one and therefore the most credible.

"If it will save one life, it's worth doing every time," said Matthew Woodside, an NES lineman with 15 years of experience.

NES exceeds safety standards by mandating that every truck in the field is inspected daily and is fully assessed and maintained every 120 days. Also, a job briefing is held before a crew begins any work to outline the hazards associated with the project, work procedures involved, special precautions and requirements for personal protective equipment.

"Being a lineman is serious business but incredibly rewarding," Baker added. "I enjoy working with the public and doing what it takes to make them feel comfortable and reassured while we restore their electricity. We not only look out for our fellow linemen, we also look out for our neighbors."

This sentiment echoes throughout the 1,000 strong workforce. NES employees stand together with a single vision for their own safety as well as the safety of those in the community they serve.



## heart of service

For 75 years, NES has faithfully powered the Greater Nashville area beyond providing electricity. The true heart of the NES family is its involvement in the community.

In addition to the 75 Acts of Service in honor of its 75 years, the people of NES continuously seek out ways to be of service to their neighbors. One of the longest-standing traditions is employee involvement in the classroom.

NES partners with the Maplewood High School Academy of Energy and Power and the PENCIL Foundation. NES employees also frequently serve as classroom readers through the Book 'Em organization.

Reading, an essential skill that most take for granted, does not always come naturally to children. Many often require additional time and attention to gain the fundamentals.

Book 'Em hosts "Read Me Week" where readers entertain classrooms and also distribute new books. From pre-kindergarten to sixth grade, students often form a new love and interest in stories after participating in the program.

Kent Cochran, an NES employee since 1990, enjoyed his Book 'Em assignment so much that he adopted Tamela Hendricks' kindergarten class at nearby Glenn Enhanced Option Elementary School in 2012. He's been faithfully reading to them ever since.

"I have so much fun reading to Ms. Hendricks' class," Cochran said. "It's amazing to watch them respond to the stories and see how it makes them want to read, because that's the whole point of going. When I see that play out in their enthusiasm, I've reached my goal."

Every month, Cochran visits Hendricks' classroom and reads three books, then leaves them behind for reading practice and pleasure of the students.

"Kent is so kind. Never in my wildest dreams did I think he would donate like he has!" Hendricks exclaimed. "He not only contributes books, but he often brings school supplies and holiday-themed gifts for the kids. He does this out of the kindness of his heart."

Cochran and the other NES classroom partners are a shining example of NES' priority to always act with kindness.

NES volunteer coordinators also work with Glenn Enhanced to produce a Thanksgiving food drive for student families.

Seven NES teams prepare full, traditional Thanksgiving meals for families designated by the school. NES aims to serve 45 families this year alone.

"We know that we are fortunate and honored to have this opportunity," Lemmonstine Poindexter, NES customer relations supervisor, said. "It's a privilege to give back in any way we can."





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