



Nashville is a hotspot that's not cooling down. Amidst the cranes and influx of big business are people who are changing the way we live and work. Innovators are making dreams happen here, and at NES we're helping to bring these new ideas to life.



mission

Provide safe, reliable and cost-efficient power that benefits
customers, employees and community.



2015





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(left to right): Decosta Jenkins, NES president and CEO, pictured with Robert Mendes, NES board chair and member of Waypoint Law, PLLC.

president's letter

The face of Nashville is changing. We see it every day when another crane lifts into view along the city skyline and in the faces of people moving here and becoming new customers.

At Nashville Electric Service (NES), our focus on safety and reliability is steadfast. It's been our mission for the past 75 years and will continue to be at the core of what we do every day in the future.

We strive to provide our customers with the highest-level of service. We are dedicated to being a good corporate citizen. And, we are committed to facilitating growth and economic and environmental health while meeting the infrastructure needs of Middle Tennessee.

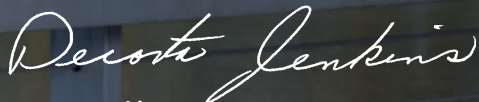
During this fiscal year, we've implemented several technology improvements including a new mobile dispatch system for crews, additional Advanced Metering Infrastructure (AMI) meters and power outage reporting for customers via text message.

In addition, NES is nearing the completion of a new training and operations center in North Nashville that will also improve crew response times for customers in this rapidly growing area of town, and we focused on five major capital improvement projects for better reliability.


As a strong community partner and a responsible financial steward, NES saved \$9.1 million by selling bonds and maintaining our AA+ bond rating. We are one of only a few public power utilities in the country to receive such a high ranking. We also saved \$2.1 million by managing and reducing our peak load over a three-year period.

Finally, I'm proud to say we stayed true to our pledge of carrying out 75 acts of service in the community in commemoration of our 75th anniversary. They ranged from Neighborhood Energy Savers Workshops, to a volunteer playground build, to various tree plantings, donation drives and fundraisers for charity. I'm proud of the generosity and compassion shown by our employees throughout the year.

This is an exciting time for our great city. As we continue to embrace the changes happening here, NES remains committed to its mission and the people of Middle Tennessee. With NES, the future is looking bright.



Decosta Jenkins
president and chief executive officer



Industry powerhouses, LED lights and big screens shine along what was once a sleepy town of honky tonks and river-view bars.

pictured: Don Kelley, frontman of his eponymous band, croons a country classic for the Robert's crowd.

nashville is known for its award-winning songwriters, guitar-playing talent and world-renowned music venues. Ironically, it was England's Queen Victoria who named Nashville "Music City" back in 1873.

Today, Nashville's "Light District" on Lower Broadway attracts worldwide music lovers. As tourists fill the streets, Jesse Lee Jones has seen it all from inside his honky tonk—Robert's Western World.

"Nashville has changed so much from when I first moved here in 1994," Jesse Lee said. "Lower Broadway was a dangerous place, and people were afraid to visit. Now it's the heart of Nashville."

What seemed impossible 20 years ago is a reality today. This great city presents the CMA Music Festival, which brought 87,000 fans to Nashville last year; the New Year's Eve Bash on Broadway, featuring a 15-foot-tall LED-lit music note drop; and the largest

fireworks display in the U.S. for Nashville's Independence Day celebration.

None of Lower Broad's events would be possible today without the infrastructure put in place by NES years ago.

"To imagine trying to make Lower Broad what it is today without NES is scary," said Jesse Lee.

Additional electricity was needed to keep the music rocking at Robert's. The honky tonk didn't have enough power and wires to keep up with a demanding performance schedule, so Jesse Lee brought more electricity into the building.

"It's not just all about the lights," he said. "You need electricity for all the music equipment and the kitchen, too. If you don't have lights, food or music, you do not have a honky tonk."



“If it weren’t for honky tonks, people wouldn’t be here,” said Don Kelley, lead singer of the Don Kelley Band. “And if it weren’t for the electricity down here, there wouldn’t be any honky tonks. Lower Broadway would be a very dark and quiet place.”

Don has played a set at Robert’s five nights a week for the past 19 years. He’s also seen the area grow and change right in front of him.

“Each year keeps getting better and better,” Don said.

During its 75 years of delivering safe and reliable power to Middle Tennessee, electrical infrastructure has been continually updated and new technologies developed to accommodate the growing energy demand and population boom. This year alone, NES has automated 24 meter reading routes, completed over \$4.9 million in substation capital improvements and added online self-service options such as reporting outages online or via text message just to name a few. We are powering Music City so that Nashville can rock (and roll) for years to come.

2015



Eddie Clemons knows the importance of giving back to the community. Ten years ago, he heard about a program that helped people make their electric bill payment when they needed a bit of assistance. Eddie immediately starting donating to the program each and every month – he wanted to help others and make an impact on their lives.

That program is called Project Help. It provides temporary energy assistance to elderly, disabled and low-income customers who cannot afford to pay their electric bill. NES partners with NeedLink Nashville to ensure that 100 percent of the donations go directly to helping our neighbors in need.

“It’s important to give in any situation that you can,” said Eddie. “Life can present any of us with circumstances we have no control over. You never know when you’ll need help.”

This year, those words rang true for Eddie. When life threw Eddie a curve ball that he wasn’t expecting, Eddie turned to the same organization he’d previously supported to ask for assistance. NeedLink Nashville was there to help.

But at the heart of our changing cityscape,
we remain a company of passion and purpose.
People helping people, striving for solutions so
we move forward together.

pictured: NES Project Help donor and recipient, Eddie Clemons, has epitomized Nashville's spirit of community.

“Eddie did everything right and he’s been supportive of this program for years,” said Savannah Brackman, community resource coordinator at NeedLink Nashville. “He exemplifies how people should treat others in the community. At NeedLink, we really try to help in the best way we can. If we are unable to help someone for any particular reason, we try to find another person or organization that can. Getting someone past that one hurdle that’s holding them back is what we strive for.”

With Project Help, one dollar is more valuable than you think. NES customers can simply add \$1 to their monthly electric bill by signing up online or calling NES Customer Relations. Customers can also support the program by using their Kroger Plus Card when shopping for groceries through the Kroger Community Rewards program.

“I’m so grateful to Project Help for letting me both give and receive assistance,” Eddie said. “It’s always been my goal to help people in need. If you love people, you also love helping people.”

NES couldn’t agree more. Giving back to the community is in our nature. This year, NES completed 75 acts of service in honor of its 75th year of providing safe and reliable power to people of Middle Tennessee. The acts of service ranged from collecting school supplies for at-risk students to sponsoring Tour de Nash to participating in the American Heart Association Heart Walk and more.

At NES, we believe giving is a great use of energy, and we’re proud to know that Eddie Clemons agrees.

We like a good challenge. We're ready for what's next and embrace bold ideas that make a difference.

pictured: Salemtown Board Co. founder, Will Anderson, cuts out his latest project as employee, Kendrius Smith, works diligently to ensure each custom board is perfect.

Every day, someone new moves to the Nashville area. With each new face, our customers, the city and its landscape are changing.

One area undergoing a dramatic transformation is down the road from NES' Church Street location. The neighborhood of Salemtown is a historic area that was once home to workers at the Werthan Bag Company, Neuhoff Meat Packing Plant and Methodist Settlement House. Now, Salemtown is experiencing a cultural shift as a new generation of residents settle there.

Newer residents like Will Anderson are focused on staying true to the neighborhood's roots.

"Development of a neighborhood doesn't have to mean a mass exodus of the people living there," said Will. "We want development to be an opportunity for both existing residents and those moving here."

When Will relocated to Nashville with his brother, Schuyler, he had dreams of changing the world around him. He found that opportunity in his backyard. While Salemtown is home to a growing list of hip professionals and young families, it's also home to many at-risk youth.

Will used his love of building skateboards to mentor young men in the community by teaching them responsibility. As co-owner of Salemtown Board Co., Will offers jobs to young people struggling to get their foot in the door.

"If we can be the first line on a resume, we've helped someone get started toward a career. That's what we strive for," Will explained.

Through hard work and a lot of paint and sawdust, Will and his brother at Salemtown Board Co. have served as role models and provided sustainable employment for teenagers in their community.



2015

“We want to do good for the people in this city,” Will said.

NES shares this goal. Our mission is to provide safe and reliable power to residents of Middle Tennessee. It’s at the heart of what we do every day.

It’s why we maintain a regular tree trimming cycle to prevent tree-related outages and proactively perform system maintenance and equipment upgrades for better reliability. In 2015, NES trimmed 860 circuit miles of line and supported power-line friendly tree plantings. We also completed an extensive transmission and distribution study to plan for future growth, which included for the first time the downtown network. And, we developed a five-year capital budget plan for major system improvements.

We are inspired by Will’s spirit of service to his community. And, NES will continue to work with that vision in mind. You may call it compassion or even southern hospitality, but we call it a way of life. We like where Nashville is headed and we’re along for the ride.

2015



It's no surprise to many people in Middle Tennessee that Nashville's housing market is hot right now. So hot, Nashville was named the third-hottest housing market in the country in a recent report. Everywhere you turn, new homes are being built. Most new construction is focused on energy efficiency standards. But for homes built before 1990 – some of the most beautiful homes in the South – making energy efficiency improvements may be an expense homeowners think they can't afford. In actuality, they can't afford not to. That's why NES and TVA are actively involved in helping customers better manage their energy usage. Through eScore, a program available to all Middle Tennesseans, homeowners are given expert advice and a clear path to increase their home's comfort level and make it as energy efficient as possible while earning rebates on upgrades.

When Sophie Laster-Hazard bought her 100-year-old East Nashville home in 2014, she was concerned about the air she was losing through the home's original windows. She'd heard about the eScore program from a co-worker and decided to give it a try.

Because what matters to you, matters to us,
and we're committed to building
a healthy, living, breathing city for tomorrow.

pictured: eScore participant, Sophie Laster-Hazzard enjoys a relaxing evening at home with her dog, Charlie.

"I made a call on Thursday to set up an appointment and an eScore representative came out that Saturday," Sophie said. "I work a 9 to 5 job, so it was great I didn't have to miss work."

A certified energy advisor spent about two hours inspecting Sophie's house to see where she was losing energy and what type of improvements were available. Based on the evaluation, the advisor explained exactly what steps she could take to upgrade her home's efficiency to prevent air loss and energy waste. He even replaced all her light bulbs with energy-efficient CFLs.

"I was so worried about the old windows and doors," she said. "But thankfully, because of the eScore evaluation, I learned that I could focus on my attic and adding better insulation to stop most of the air loss."

Because she participated in eScore, Sophie can receive rebates on all qualified energy-efficient upgrades like attic insulation. However, the real reward is lower

electric bills, better indoor air quality and a home Sophie can be comfortable in no matter what the temperature is outside.

From small changes like air sealing doors and windows, to larger-scale improvements like installing a new heat pump water heater, NES strives to help customers use energy wisely and lower their bills.

Along with eScore, NES offers free Neighborhood Energy Savers Workshops to teach easy, low-cost improvements that anyone can do at home.

With the right knowledge comes the power to save and NES is here to help.

Startup-by-startup, partnership-by-partnership,
gigabit-by-terabyte—the future of Nashville is
being made, and it's all happening now.

pictured: Google Fiber city manager, Martha Ivester, leads a team that is casting vision for Nashville's future.

nashville has a need for speed. It's one of the fastest-growing technology markets in the country and a leader in the creation of science, technology, engineering and math jobs.

Everyone took note of Middle Tennessee's progress when Google, one of the world's most valuable brands, selected Nashville as its next fiber city.

"Nashville, a hub of creativity and innovation, is the perfect city to show what's possible with gigabit speeds. Always recognized for its unmatched music scene, this city's also a center for cutting-edge technology and entrepreneurship," said Martha Ivester, Google city manager, Nashville.

NES' infrastructure is pivotal to the deployment of Google Fiber. With a well-established distribution system that covers 700 square miles and includes 202,428 utility poles, Google is able to attach thousands of miles of fiber-optic cable to our

existing network, saving time and resources. In short, NES is helping Google be fast.

"From day one, NES has been a key partner and a positive source of collaboration," Martha said. "With such a massive undertaking, organizations familiar with the city's complexities are crucial to our success. We're grateful for NES' support and look forward to continuing this strong partnership."

Partnerships and technological advancements are important to NES. Recently, NES implemented a new mobile dispatch system for short duration work and vegetation management jobs. More than 40,000 Advanced Metering Infrastructure (AMI) meters have been installed to replace older, analog meters, bringing the total deployment to over 100,000 meters system-wide. Other efforts have centered on automating areas in reconnect and disconnect to improve service to approximately 6,000 customers per month.



2015

NES is also nearing completion of a state-of-the-art training center in North Nashville. The new center will allow employees to safely train on equipment in a controlled environment and with crews, trucks and equipment on-site, this rapidly growing area will benefit from better response times and reliability.

“I can’t wait to see what the city and its people achieve with Google Fiber,” Martha added.

Google recently demonstrated its commitment to Nashville by making a \$100,000 donation to the Nashville Digital Inclusion fund, a new community-based initiative to get more Nashvillians online.

“Forty-four percent of Metro school students don’t have access to computers or connectivity at home,” Martha explained. “Nashville’s potential will only be realized if the entire city can access and take advantage of super-fast Internet, and we want to make that possible.”

Google is making a huge investment in Nashville, and NES is doing its part to bring the latest in technology to our city.