



For immediate release

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City of Elizabethton, BrightRidge agree to undertake consolidation study

JOHNSON CITY – BrightRidge officials appeared Thursday evening before the Elizabethton City Council in support of a motion to move forward with an electric system consolidation study. The motion is a continuation of informal discussions that began several years ago.

“We are seeing businesses and agencies across the region look to consolidation and alliances to lower costs for their customers by increasing efficiencies,” BrightRidge CEO Jeff Dykes said. “We believe this study will reveal similar benefits for customers in both systems.”

Like most aspects of the economy today, technology is driving the marketplace. Forecasts from the Tennessee Valley Authority and other federal agencies project flat to negative electric usage as high-efficiency products, such as LED lighting and Energy Star appliances, proliferate in the market place.

At the same time, distributed generation is increasingly a reality as consumer-generated solar energy and battery storage products come to market, as recently noted by TVA, which indicated that local power companies will have to change to survive. TVA regulates local power companies and requires any consolidation demonstrate net positive benefits for customers in both systems.

“Today, consumers can lower their bills through energy efficiency and even make some of their own energy,” Cass Larson, TVA vice president of Pricing and Contracts, recently noted. “Power companies that don’t adapt and reinvent themselves won’t be able to ensure the safety, reliability and resilience consumers have come to expect.”

Currently, the two systems are near parity in terms of electric rates. BrightRidge is the 10th largest public power provider in the TVA system with 78,000 customers. Elizabethton Electric has 26,068 customers.

“The feasibility study could present a unique opportunity for the citizens of Elizabethton to unlock untapped value in the utility,” Dykes said. “At the same time, we believe consolidation would help long-term rate stability and ensure adequate reinvestment in both systems.”

The study would be a complete review of financial and technological aspects of the system. It is anticipated that if approved, both electric systems would operate separately for some period after consolidation until the systems are brought into alignment.

Any consolidation agreement would require a majority vote of the BrightRidge Board of Directors, the Elizabethton City Council and the public at a referendum commissioned by the Elizabethton Electric System. Dykes estimated the study could take up to 12 months to complete.

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