

# Lexington Electric System

-75 Years of Service-



**75TH Anniversary**  
**1939 - 2014**

75 Years of *Delivering Electricity* to Our Community\*\*

## Growth and Progress

## A Brief History...

Electricity came to the City of Lexington around 1912, some 30 years after Thomas Edison first delivered electricity from his Pearl Street Generating Station in New York City in September 1882. Prior to 1912, Lexington was a country town with no electric system, no water system, no sewer system, or gravel streets. "Scrub boards" were the most common appliance used for laundry, and coal oil lamps and lanterns were used for lighting.

In 1912, Lexington installed two coal fired steam engines. One, a 75 horsepower engine, was more than adequate to serve the people in Lexington. A 150 horsepower was used when the two cotton gins in Lexington were operating. On sunny days, provided the gins were not operating, the generators were not used at all. Later, people began to purchase electric irons and the generators were used on Fridays so the ladies could do their ironing. By 1921, the generators were running all day. Sometimes, on sunny days, the load was so light that the street lights were turned on to put some load on the generators to smooth their operation.

In 1924, coal was becoming very expensive, and the city was using most of the light and water revenue to maintain these coal fired engines. Consequently, the City of Lexington bought two Fairbanks-Morse diesel engines to replace the coal fired engines. In 1927, Lexington purchased another 240 horsepower diesel Fairbanks-Morse engine for future electrical boards.

Parsons was served with an old direct current system, until around 1924. Southern Cities Power Company bought this D.C. system and operated it until around 1927. At that time, SCPC built a transmission line to Parsons and built an alternating current system. They also built a line from Parsons to Decaturville at this time. Scotts Hill was served by a small D.C. generator, owned by Dr. Wiley and Jim Patterson, until around 1936. It did not take people long to realize the benefits of using electricity. The demand for electricity was continuously increasing and because of this demand, financial problems were being experienced. A possible solution was to sell the LES franchise to a private power company. Rural electrification was practically nonexistent at this time.

By 1930, the City of Lexington sold the franchise to own and operate its system to Tennessee Electric Power

Company (TEPC), a private company, for \$250,000. Also SCPC, operating in Decatur County, sold their franchise to TEPC, which was the largest industrial corporation in Tennessee. Mr. H.B. Austin was appointed manager of TEPC on April 1, 1930.

When Congress created the Tennessee Valley Authority in 1933, great changes began to occur. Construction of the Norris Dam began soon after the agency was created and was completed 3 years later at a cost of 32 million dollars. This not only provided a source of employment for people, but also gave hope for improved economic and living conditions for those in West Tennessee and Henderson County.

On December 7, 1933, Dr. William I Howell wrote to TVA regarding the possibility of TVA furnishing power to Lexington and the surrounding area. Mr. Gordon Turner principal at Scotts Hill School was advised, in response to his letter dated February 17, 1934, that TVA was conducting a study of extending rural lines into this district. Mr. R. C. Darnall, County Agent of Henderson County, and others wrote letters to TVA regarding rural electrification in our area.

On February 7, 1934, the City of Tupelo, Mississippi was the first distributor system to sign a contract to purchase wholesale power from TVA. Soon, most other areas of the region were investigating the possibility of getting TVA power. By 1935, TVA was constructing transmission lines from Wilson Dam, located at Muscle Shoals, Alabama, to West Tennessee. Private power companies questioned the constitutionality of TVA. The United States Supreme Court upheld the right of TVA to market power early in 1936. This opened the floodgates for the creation of electric cooperatives and municipally owned electric systems throughout the Tennessee Valley.

At a mass meeting held at Lexington, Tennessee. November 9, 1935, Mr. C.L. Duck of Luray, Tennessee, was elected chairman of a contact committee to find out the steps necessary for Henderson County to obtain TVA power. TVA advised Mr. Duck on November 19, 1935, that they were considering serving a number of larger towns in West Tennessee, but that Lexington was not one of them. They indicated that service might be made available to Henderson County through development in Madison County.

Tennessee Electric Power Company built approximately 9 miles of line from Decaturville to Scotts Hill in 1936. In 1937, the line was extended

from Scotts Hill to Sardis and Saltillo, Tennessee. There were only around 15 customers between these communities that wanted electric service. The primary reason so few took service was because of the cost of wiring their homes and the \$1.50 monthly minimum bill.

The Henderson County Farm Bureau became greatly involved in this endeavor of electrification in Henderson County. In September, 1938, the Farm Bureau asked for assistance in making a survey to determine if feasibility of extending the lines of Southwest Tennessee Electric Membership Corporation into our area. It seemed that Henderson County might join this cooperation, but the plan failed to materialize because not enough customers would sign a minimum bill contract.

Finally, on February 7, 1939, Mr. Joe C. Davis, Mayor of Lexington, received a telegram from TVA stating an agreement had been reached for TVA to purchase all the electric properties of TEPC, for \$78,600,600.00 Mayor Davis asked for urgent meeting with TVA to express Lexington's interest in purchase the electric distribution properties of TEPC in this area. A proposal was received from TVA March 17, 1939, detailing the City of Lexington's responsibilities and obligations for acquisition of these electric properties. The proposed Lexington Electric System would comprise the City of Lexington and the communities of Parsons, Decaturville, Chesterfield, Darden, Perryville, Scotts Hill, Sardis, and Saltillo. On Tuesday, March 21, 1939, a conference was held at Lexington Tennessee concerning the proposal from TVA.

### THE BIG DAY FINALLY ARRIVED- BOARD RESOLUTION

On April 21, 1939, the Lexington City Board passed a resolution authorizing Mayor J.C. Davis to execute, on behalf of the City of Lexington, the major contract to purchase all the electric properties of Tennessee Electric Powers Company for \$130,704.25. During the process of negotiations for the acquisition of the TEPC electrical distribution facilities, it was necessary for W.L. Brown, City Recorder, and Joe C. Davis, Mayor to travel by train to Chattanooga and Nashville on May 11-12, 1939.

The Board of Mayor and Aldermen met in approved session on May 30, 1939, and authorized the issuance and provided for the sale thereof of \$150,000 of Electric System Revenue Bonds to pay for the cost of acquiring and improving, said proposed system. These bonds were sold for

1-1/4% interest. When the system was purchased by the City, many improvements were needed. Most of the cross arms were rotten, wire was just hanging and only chestnut poles were in place, many of which were bad.

The first power committee of Lexington Electric System was appointed by Mayor Joe C. Davis on July 31, 1939. The power committee members were E. A. Hay, H. H. Threadgill, and Coy Stewart. E. A. Hay was appointed chairman of this committee. The committee officially approved Lexington Electric System as the name of the electric department. H. B. Austin, then manager of TEPC was appointed the first Manager (Superintendent) of Lexington Electric System. Also, Sherman Brown and W. A. Veteto were hired as lineman and G. E. Heathcoat as groundman during this meeting. On August 7, 1939, the committee employed Katherine Denison as bookkeeper and Arthurlene Hinson as cashier at the Lexington office. Mr. Floyd Graves was hired as general service man at Parsons.

Mayor Joe C. Davis and W. L. Brown, City Recorder, traveled from Lexington to New York City on August 12, 1939 to close out the major contract for the acquisition of the electric properties and facilities of TEPC for \$130,704.25. They returned to Lexington on August 17, 1939.

### LES BEGAN PURCHASING POWER FROM TVA AUGUST 16, 1939

On August 21, 1939, Lexington Electric approved rules and regulations covering billing and collecting as suggested by TVA. The committee met September 1, 1939, and approved the first liability, workmans's compensation, bond and contractors public liability insurance policies in the amount of \$564.71. Lexington Electric System purchased its first 1-1/2 ton pickup from Odle Chevrolet Company for \$759.50 and 1/2 ton pickup from Holmes Motor Company for \$509.60.

Lexington Electric System was trying desperately to obtain Rural Electrification Administration (REA) funds at this time. After much discussion and reference to the Board resolution adopted by the City of Lexington. It was concluded by Mayor Joe C. Davis and Earlie E. Walle, TVA representative, that section 7, Paragraph "F" would act to prevent the financing of rural lines with REA funds. Consequently, on October 14, 1940, the board having been denied REA funds for rural line extensions, passed a resolution granting electric cooperative to extend their lines into

Henderson and Decatur Counties. In our first two years of operations, we built only 5 miles of line.

Then came the war years. Most construction was delayed until after the war in 1946. We were ordered to reduce commercial and industrial power by 30% by the War Production Board (WPB). The office of production Management Issued the Priority Preference Rating order which permitted only purchasing materials necessary for maintenance and repair of existing facilities. The customers had to make application with and be approved by the War Production Board to get a service line extension. Those approved were few and far between until 1946.

After the war ended, rural electrification finally became a reality. From 1946 through 1950 over 600 miles of line were built. Meters could not be manufactured fast enough for the demand and many customers were given service without a meter. Customers receiving electricity increased from 2092 to 5264 during these 5 years. Rural people could finally enjoy the same modern conveniences their city neighbors enjoyed. By 1949, substation capacity had been increased and new substations were built by TVA and Lexington Electric to accommodate the load growth. We have continued to grow and expand and modernize Lexington Electric System from 1949 until present time.

In March 1979, Lexington Electric System purchased all the TVA owned substations through a lease-purchase agreement. We now take delivery from TVA at 69,000 volts compared to 12,470 volts previously. A new substation was added north of Lexington in May 1983, Lexington Electric System owns, operates, and maintains the 6 substations and associated equipment. Each substation is remotely operated and monitored by a computerized Supervisory Control and Data Acquisition System (SCADA) located in the Lexington office. SCADA also permits us to control, automatically regulate, and monitor capacitors and regulators on the system. This system is also used for automatic voltage reduction control (BRC) to reduce the system peak demands for reduced wholesale demand charges from TVA. Today, with more technology, we receive alarms on cell phones with information regarding our SCADA system. At this time they had a fully automated Cycle and Save program for water heaters and air conditioners to reduce these demand charges by TVA.

The Lexington Electric System

office is fully computerized. Plant accounting, customer information and electric receivables use in house computers connected on line with Central Service Association. In May 1989, all meter reading functions were converted to an Itron electronic meter reading system for greater efficiency.

Over the last 25 years Lexington Electric System has made many improvements to the existing substations and built new ones to accommodate the load growth. In May 1996, West Lexington Substation was built on S. Broad St. In July 2002, Sand Ridge substation was built. September 1, 2004, the Parsons office was closed for business, from then to the present Lexington Electric System still accepts payments in the night deposit at the Parsons location as well as at most banks in Decatur County.

In 2007 LES issued \$9.33 million in bonds for system upgrades. Rebuilding Parsons substation, decommissioning South Parsons substation, and installing an AMR (Automated Meter Reading) system throughout the service area were a few of the major projects resulting from this money. In September 2007, Lexington Electric System began the process of converting to Automatic Meter Reading or AMR. Lexington Electric System installed new digital/electronic meters in homes and businesses. These meters send a signal back to the substation through the power lines, and then the signal is transmitted back to the office via ethernet radio. In 2007, Lexington Electric System created their first website, [www.lexingtonelectric.com](http://www.lexingtonelectric.com). Lexington Electric System encourages everyone to visit our website for information on rate changes, programs, and also to view and pay your bill online. In March 2008, the new Parsons substation was built and the old South Parsons substation was decommissioned.

Again in 2011 Lexington Electric System secured \$8.25 million in bonds to rebuild two more substations; Montgomery Substation in Bath Springs, and Lexington District Substation in Lexington. In March 2014, the new Montgomery substation was built, and the old was torn down. In May 2014, completion of the Lexington substation rebuild was finished. As of 2014, Lexington Electric System has retired all 69,000 volt facilities and is served by TVA through a 161,000 volt delivery points. The Chesterfield 161:69 kV primary substation was retired at this time.

## 75 Year Highlights...

Seventy five years ago, electricity was the choice of power desired by most people, but available to only a few. Today, seventy five years later, it is the POWER OF CHOICE of the world's energy alternatives. Electricity wakes us up, feeds us, entertains us, cools and heats us, power communications, helps us build and teach, gives us better ways of learning, contributes to our health, runs businesses and households, and powers entire cities and communities. The one thing we take for granted is having the electric power at our fingertips for anything we want to do. Life without electricity, as it was for many, fifty years ago, is hard to imagine.

Electricity has made the full cycle at Lexington Electric System- public power from 1912 to 1930, private power from 1930 to 1939, and back to public power from 1939 to present. We will continue our tradition of success in the next 75 years. Lexington Electric System will remain a great utility with POWER to handle the growth. Our goal for the Board, management, employees, and our customers is to work together as a team, always reaching into the future, yet never forgetting the past.

Seventy Five (75) years ago, your power system embarked on the historic journey of providing TVA generated electricity- a venture that has helped bring unprecedented growth to this area. In those days,

electric power being available for everyone to use freely was a new idea that resulted in an ever increasing use of electricity that is benefiting our whole community.

Today, our homes are powered with electricity...for saving work, for entertainment, for convenience and for comfort...giving us the highest standard of living in the world.

Electricity has helped raise income and made a better way of life. Commercial businesses have better lighting, air conditioning, commercial electricity cooking and other uses of electricity to serve the public better.

Industrial plants use new production methods and are safer and more comfortable for their workers because of the abundant supply of electricity. Our schools, churches, and hospitals are using more electricity than ever before to serve our community better. Our streets are safer with improved street lighting.

The progress did not come all at once- it took a vision, hard work and faith in a new idea.

With 75 years of impressive and unprecedented progress behind us, we can look forward to even greater growth and prosperity with the most powerful energy source available... ELECTRICITY.

Below are some of the signs of 75 years of electrical progress here. These impressive figures are the result of your ever increasing demands for more and more electricity, the power you use to build a better way of life.... the power of choice.

### TOTAL USE OF ELECTRICITY

Total use of electricity has increased to 484,263,748 kilowatt-hours this year, about 433 times the 1,117,977 kilowatt-hours used in our first year of service.

### NUMBER OF CONSUMERS

The Lexington Electric System has grown in the number of customers. In 1939, 1,253 received electric service. Now the system has 22,060 customers.

### AVERAGE HOME USE

The average home use of electricity reached a new high of 13,684 kilowatt-hours for this year, almost 9.2 times the 1476 kilowatt-hours used in 1939.

### POWER COST

The wholesale power cost to TVA has increased to \$36,164,104 for this year, 2,308 times the \$15,670 paid in our first year of service.

### MILES OF LINE

In 1939 Lexington Electric System had 65 miles of primary line compared to 1919 miles today serving Henderson, Decatur, and parts of Benton, Carroll, and Hardin counties

### PLANT INVESTMENT PER CUSTOMER

(average all classes)

For each customer served, the amount invested has increased from \$133 per customer in 1939 to \$2,920 per customer this year.

### OTHER HIGHLIGHTS

Year	1939	1989	2014
Number of Customers per mile of line	19	11	11.5
Miles of Line per Employee	9	22	38
Number of Customers per Employee	9	250	433
Number of Employees (full time)	7	67	51
System Demands (KILOWATTS)	611	82,415	109,109

## 75 Years Growth

Year	Customers	Annual KWH Purchased	Annual Power Cost Dollars	Miles Of Line	Plant Investment Dollars
1940	1,347	2,594,962	\$15,670	69	\$147,187
1944	1,660	4,768,605	\$28,074	90	\$198,271
1949	4,500	15,084,949	\$79,481	464	\$1,004,842
1954	6,726	31,675,294	\$159,881	810	\$1,885,955
1959	7,808	54,615,200	\$261,526	972	\$2,506,397
1964	9,398	104,590,881	\$471,926	1,074	\$3,403,406
1969	11,089	183,805,200	\$841,699	1,154	\$4,607,525
1974	12,870	242,481,280	\$2,253,082	1,160	\$6,149,020
1979	14,517	299,751,522	\$7,030,461	1,307	\$7,392,268
1984	15,692	316,423,212	\$11,339,158	1,383	\$11,859,887
1989	16,804	349,344,553	\$15,422,622	1,455	\$15,625,836
1994	18,075	415,024,953	\$18,257,131	1,547	\$22,684,745
1999	20,123	478,407,454	\$22,354,498	1,702	\$30,337,781
2004	21,312	496,132,628	\$24,170,467	1,811	\$38,441,671
2009	21,818	491,099,502	\$36,331,709	1,888	\$51,410,220
2014	22,060	484,263,748	\$36,164,104	1,919	\$64,419,125

## MAYORS

Joe C. Davis	Jeffrey Davies
C.A. Fesmire	David Jowers
Floyd Richardson	Bennie M. Scott
Jack Hay	Bobby W. Dyer
Bobby J. Osborne	Tim Pierce
D. L. Weatherly	David Jowers

## MANAGERS

H.B. Austin	Ronnie Davis
Lester D. Warren	Jimmy Stanfill
Bobby W. Dyer	Phillip Mullins
Murray L. Maness	Mike Hawkins
Herman J. Holmes	Matt Ujcich
Travis W. Lewis	Jeff Graves
Wayne Bowman	

## A SPECIAL THANKS TO ALL OUR DEDICATED EMPLOYEES!



## BOARD MEMBERS

E. A Hay	Jeffrey Davies
H.H. Threadgill	Danny Azbill
Coy Stewart R.	Frank Little
F. Odle James	Jim Minor
Patton A.R.	Jeff Wood
Wallace Jr E.T.	Howard Douglass
Bailey Edward	Truman Lewis, Jr.
Bailey Herbert	Harold Renfroe
Davis Joe V.	Jimmy Harris
Holmes Sam A.	Tom Burke Jerry
Lewis	Reeves Carneal
Leroy A. Holmes	Blackstock
Curry S. Sullivan	William L. "Bill" Brooks
James L. Wright	Calvin Shugart
James Holcomb	Jimmy Creasy
Floyd Smith	Jim Cook
Rex Pope	Roy Miller Bobby
Riles Johnson	W. Dyer Bennie D.
Calvin C. Bailey	Stanfill Jerry
Olice Hayes	Bingham Dorothy
L.M. Powers	J. Thomas Donna
Cliff Bullock	Ross
W.T. Johnson	Bryan Bunch
Dr. Jack Stripling	Noble R. Duke
Guy Ward Jr.	Bobby Cogdell
Thomas Holmes	Brian Keith Williams
James Gurley	Mickey Lewis
Dartha Veteto	Peggy Gilbert
Billy Max Woods	Roy M. Wood
Jim Cook	Bennie Scott
Pat Carnal	Emmitt Blankenship Jr
Anison D. Ward	Frankie K. Stanfill
Mitchell Lewis	John T. Casselberry
Ray Wood	Jeff Griggs
Richard Carrington	Sandra A. Wood
J.C. Hayes	Jack Johnson
Carl D. Overman	Waylon Buck
Charles Shipman	Gordon Wildridge
Noel Blankenship	Janice Buck
Guy Goff	

## A Message From The Manager:



Lexington Electric System began some 75 years ago with a vision from city leaders that the City of Lexington

could purchase and operate the electrical distribution system in this area. Credit has to be given to the many people that have put in long hours and hard work to build the system into what it is today. The Board of Aldermen and Mayors provided superior leadership throughout the years and should be recognized for their efforts. Additionally, without the foundation of great employees the vision would have never worked. Lexington Electric System has had and still has some of the best employees in the electric distribution industry.

As we observe our 75th anniversary we still have the sense of PRIDE that has been passed down from prior generations. The men and women of Lexington Electric System have labored tirelessly to make a better quality of life for those in our

community. Our mission still remains the same: to provide safe, reliable, and efficient electric service for all our customers at the lowest possible cost. We are excited to see what the future brings and are ready for any challenge that arises.

— Jeff Graves



**75TH Anniversary**  
1939 - 2014

75 Years of Delivering Electricity to Our Community...