



# Tennessee Valley Public Power Association NEWS

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No. 2

## COMMITTEE CALLS FOR CANCELLATION

### LINEMEN PRESENTED SAFETY PLAQUES



The following news story appeared in the *Chattanooga Times* of January 20 concerning the awards given by the Tennessee Safety Council to the four linemen shown above. They are left to right, Carl Finley, J. E. Edwards, Robert Tennyson, and Jeff Hicks. Henry H. Hayes, chief of the safety branch of TVA, is making the presentation.

"Athens, Tenn., Jan. 19—Four Athens utilities board linemen have been awarded plaques by the Tennessee Safety Council in recognition of their heroic action in two different rescue operations.

"Henry H. Hayes, chief of the safety branch of the Tennessee Valley Authority at Chattanooga and a member of the board of directors of the Tennessee Safety Council, presented the awards to Bob Tennyson, Jeff Hicks, Carl Finley and J. E. Edwards during a brief cere-

mony held at a regular semi-monthly meeting of the Athens city council here last night.

"J. Neal Ensminger described the life-saving activity of each man before Hayes stepped forward to award the plaques.

"In January, 1954, Hicks and Tennyson united their efforts in effecting the rescue of Mr. and Mrs. Hugh Willson and infant son from rain-swollen Chestua Creek near Englewood. The Wilson car had gone out of control on U. S. Highway 411 and crashed into the swift, icy waters.

"The two men entered the water after others had done so and, working as a team, were able to establish a ropeline to shore. Taking turns, they managed to bring the family and others to safety.

"Edwards and Finley teamed up in June, 1952, to give artificial respiration

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### Dixon-Yates Contract

The following resolution was adopted by the Joint Committee on Atomic Energy at a meeting held January 28, 1955, at 11:00 a.m. by vote of 10 to 8. This Joint Committee resolution puts a very serious stumbling block in the path of the Dixon-Yates contract, as well as the legal battles being fought by the Association and the State of Tennessee.

### RESOLUTION

"WHEREAS, the Joint Committee on Atomic Energy is vested with certain duties and authorities by virtue of the provisions of the Atomic Energy Act of 1954, and

"WHEREAS, Section 164 of the Atomic Energy Act of 1954 requires that certain contracts for electric utility services entered into by the Atomic Energy Commission be submitted to the Joint Committee on Atomic Energy and a period of thirty days elapse while Congress is in session before the contract shall become effective, and

"WHEREAS, Section 164 of the Atomic Energy Act of 1954 further authorizes the Joint Committee at any time after the receipt of the proposed contract to waive the conditions of or all or any portion of such thirty-day period, and

"WHEREAS, the Joint Committee by Resolution on November 13, 1954, adopted a resolution purporting to waive the conditions of and all of the thirty-day period specified in Section 164, while Congress was not in session, and

"WHEREAS, the Atomic Energy Commission presented no substantial or compelling reasons to justify the adoption of a waiver resolution while Congress was not in session, and

"WHEREAS, the effective date of said contract by its own terms has not yet occurred, and

"WHEREAS, the hearings of the Com-

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## SENATE ANTI-MONOPOLY REPORT RELEASED

The Senate Anti-Monopoly Subcommittee released its report on investigation into Monopoly in the Power Industry, Monday, January 24, 1955. In this 115-page report the Subcommittee condemned economic abuses which it said "threaten a repetition of the Insull-Hopson scandal," and stated that it has found evidence of revival of holding company evils, and recommended a full-scale investigation of monopolistic trends by the new Congress.

In the report to the Judiciary Committee the Subcommittee warned that the nation is now in the midst of the third great merger movement in its history, and recommended examination into:

- "(1) changing concepts of competition and monopoly experience in light of recent economic developments;
- (2) the rise of new financial and industrial oligarchies, and highly concentrated forms of business and management;
- (3) business practices aimed at limiting or eliminating competition; and
- (4) methods of Government regulation to control all these in the public interest."

The Subcommittee condemned the Dixon-Yates contract and said that evidence presented in the hearings leads to two important conclusions:

"1. That there is a two-pronged drive by private monopoly to destroy public competition in the power business, and that the Dixon-Yates contract is a part of that drive; and

"2. That Wall Street domination of the power industry has revived many of the (monopolistic) holding company evils which Congress sought by legislation to suppress, particularly the extension of monopoly control over very wide regions."

The Subcommittee said the move to destroy public competition will have an adverse effect on power bills throughout the nation. Regulatory bodies are not sufficient to insure reasonably low rates, the Subcommittee said. Parallel competition by public bodies is necessary to do that, it said. Private power in regions adjacent to public power have low rates and the rates increase in rough ratio to the distance from public competition, the Subcommittee reported.

The Subcommittee was composed of Senator William Langer of North Dakota, Chairman, Senator Robert Hendrickson of New Jersey, Senator Everett M. Dirksen of Illinois, Senator Harley M. Kilgore of West Virginia, and Senator Estes Kefauver of Tennessee. Senator Hendrickson, now retired from the Senate, did not participate in the report. Senator Dirksen is preparing minority views. The report was unanimously approved at a meeting of the Subcommittee attended by Senators Langer, Kilgore and Kefauver.

## CO-OP SHOWS PHENOMENAL LOAD GROWTH

The success or failure of any business is determined by the type of management it has and the interest of management in the organization. This is particularly true in the electrical industry, when the success or failure of the power distributor depends upon the load growth. Many of the distributors are building their load through the use of utilization personnel. It should be the duty of every power distributor to see that all of its consumers realize that electricity, when used to the utmost, makes for better living.

We have a report from one of the power distributors showing that the use of utilization personnel and the medium of advertising has brought a phenomenal growth in the use of electricity. We are speaking of the Sequachee Valley Electric Cooperative, with headquarters at South Pittsburg, Tennessee, W. L. Whitworth, manager. Mr. Whitworth reports that his consumers have grown from 2,716 in 1940, with an annual kwh per consumer of 1,076, and total power purchased by the co-op of 18,760,000 kwh, to 10,075 consumers in 1954, with an annual kwh per consumer of 4,485, and total power purchased of 90,647,000 kwh. The installed cost of the entire plant in 1954 was \$3,327,854, and the co-op paid taxes in the amount of \$21,330 during 1954. We are listing below the growth of the co-op in chronological order from 1940:

Year	Consumers	Annual KWH Per Consumer	Purchased Power KWH
1940	2,716	1,076	18,760,000
1941	3,034	1,245	29,718,000
1942	3,960	1,241	37,642,560
1943	3,999	1,296	38,583,000
1944	4,165	1,370	35,919,000
1945	4,391	1,462	28,915,000
1946	4,820	1,684	32,484,000
1947	5,183	1,972	45,171,000
1948	5,913	2,382	52,889,000
1949	7,024	2,571	57,050,000
1950	7,791	2,858	63,224,000
1951	8,455	3,313	71,658,000
1952	8,816	3,596	77,595,000
1953	9,530	4,065	84,583,000
1954	10,075	4,485	90,647,000

## LOBBYISTS REALLY BUSY

If the people of the Tennessee Valley were in any doubt as to whether or not the Dixon-Yates contract is bad for the region, they should be convinced by what the private utility lobbyists are now doing.

Ever since the conclusion of the hearings before the Securities and Exchange Commission there has been literally a barrage of excuses or explanations for this contract. A great many private utilities, in mailing out dividend checks, have enclosed a statement to their stock owners about the Dixon-Yates contract. Needless to say, this statement is quite favorable.

Also, there has been brought to our attention a number of magazines put out by the private utility companies which go into a very long and detailed explanation of this contract.

The third thing has been editorials in daily newspapers friendly to private power. We cannot say authoritatively that these are "canned" editorials, but there is a striking similarity in all that have been brought to our attention.

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## NEW YORK TIMES COMMENDS TVA

The following editorial appeared in the *New York Times* January 26, 1955.

"The Tennessee Valley Authority's annual report, dated last June 30 and made public today, contains only a brief mention of the controversial Dixon-Yates project under which the Atomic Energy Commission was directed to contract with interests in Arkansas to build a steam plant at West Memphis from which power could be provided to the TVA to offset power drained off by the AEC at Paducah. Consequently, in discussing this report we do not have to entangle ourselves in the sticky flypaper of that confused and bungled undertaking.

"What remains is a clear picture of what has happened with the development of the atomic energy plants in the Tennessee Valley and the new and unprecedented emphasis on peacetime defense. TVA was projected to develop an entire river system for multiple purposes. It was thought that many years might go by before the Tennessee Valley region grew up industrially to a point where it would soak up the available water power. The second World War and the cold war that followed could not be foreseen.

"Now TVA has arrived at a point where for the first time in its 21-year-old history it has no dams under construction. On the other hand, at the end of the fiscal year it was developing steam generating capacity 'at half a dozen sites along the region's waterways to double the 1954 output of the TVA power system in a little more than two years.' During the fiscal year 1954 steam power generation in the Tennessee Valley actually outran hydroelectric power. And still a power famine looms in the valley.

"Critics of TVA speak of the Authority as though it were operating wholly at the expense of the federal taxpayer. This is not the case. Last year TVA earned 3¼ per cent net profit on its power installations. Over the whole period of its existence it has averaged 4 per cent annually. By law it is now required to pay back into the federal Treasury within 40 years the total cost of all its power installations. It has actually paid back \$101,000,000—\$20,000,000 during the last fiscal year. In addition, TVA has paid about 5 per cent of its power sales revenues, exclusive of those from federal agencies, in lieu of taxes. Proponents and opponents of the TVA may argue about these payments until the cows come home. But TVA is not getting a free ride.

"There are some other facts about

## LINEMEN

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to Edward Long, a fellow lineman, who accidentally came in contact with a power line and fell unconscious 25 feet to the ground, his clothing ablaze. The work of the two men was instrumental in saving the life of the badly injured lineman.

"Other than Hayes, M. B. Walthall, a member of the utilities board, and Mayor J. P. Cartwright commended the foursome for their outstanding records. Hayes said it was most unusual that four men in one organization qualify as did these linemen for plaques such as those awarded by the council."

## COMMITTEE

(Continued from Page 1)

mittee on this and related questions were incomplete and inadequate, and

"WHEREAS, the action of the then majority of the Joint Committee, in adopting a waiver resolution tended to deprive the 84th Congress of its full opportunity of review and freedom of action with respect to the aforesaid contract,

"NOW THEREFORE, BE IT RESOLVED: (1) that the Joint Committee on Atomic Energy do hereby rescind the resolution of waiver, and

"(2) that it is the sense of the Joint Committee on Atomic Energy that the said contract is not in the public interest and the Committee recommends that the Atomic Energy Commission take appropriate steps to cancel the so-called Dixon-Yates contract."

TVA that are worth noticing. The Tennessee River is now carrying a considerable amount of freight. Flood crests in the Tennessee, Ohio and Mississippi rivers have been reduced. Research has been done in fertilizers, chemistry and physics. Conservation measures have been encouraged. Malaria has been practically wiped out. The use of electricity in both urban and rural areas has been increased until the average household consumer in the Tennessee Valley was using 4,734 kilowatt-hours last year as contrasted with the national average of 2,445.

"But the outstanding fact about TVA right now is that it is being increasingly integrated into the national defense system. This unique enterprise, far exceeding the dreams of the late Sen. George Norris, who conceived it, is worth to the country many divisions of troops, many ships and many airplanes. What it does and can do might make the difference between victory and defeat, or even between peace and war."

## STANDARDS SECTION MEETS

The Distribution Standards Section held an open meeting in Nashville, Tennessee, January 20, and even with the adverse weather conditions, there were 40 people present.

Various subjects were discussed at the meeting, and Mr. Merrill DeMerit, of TVA, brought out some facts and figures which concern all of the power distributors in the Valley.

The new Street Lighting section of the Manual and the first part of the new Electrical section should be complete and in the hands of the owners of the Manual before the annual meeting of the Association in April. Much credit should be given to the committee who handled these two projects. Messrs. J. M. Olive of Memphis Light, Gas and Water Div., and John Marlin of Athens, Alabama, Electric Dept., were responsible for the Street Lighting project, and Messrs. D. M. Brown of TVA, and F. W. Floyd of the Electric Power Board of Chattanooga for the Electrical section.

The Construction Manual project that was recommended by the Section previously has been carried through to completion, as far as this year's program is concerned. The Manuals are in the hands of the test organizations and a report will be made to the Association at a later date.

The final session of the meeting in Nashville was devoted to discussions of various plans and programs which will assure the continuation of the work of the Standards Section.

We believe that this is an opportune time to thank Messrs. Merrill DeMerit of TVA and George Parker of the Electric Power Board of Chattanooga, for the fine work they did in organizing the first committee to prepare the Manual and for their continued interest and work with the Section through the years.

It is our opinion that the new sections added to the Manual will increase its value immensely.

## N.R.E.C.A. ANNUAL MEETING

The annual meeting of the National Rural Electric Cooperative Association is being held in Atlantic City, February 14-17. As usual, Mr. Clyde Ellis and his program committee have come up with a very excellent program and it is hoped that a number of the power distributors in the Valley will be present at this meeting. The executive secretary is attending as a voting delegate for the Association.

## 70 REGISTER AT TREE PRUNERS' SCHOOL



The first annual Tree Pruners' Short Course was held at Alabama Polytechnic Institute, Auburn, Alabama, January 17-19. Shown above receiving a certificate for completing the course is L. R. Ramey, Nashville Electric Service, Nashville, Tennessee, and W. Ray Queen, Queen's Tree Surgery, Nashville, Tennessee.

### GUEST EDITORIAL

The following editorial appeared in the North Dakota Rural Electric Magazine. It is heartening to know that other sections of the country are taking note of our fight in the Dixon-Yates contract, as well as backing us in our efforts.

#### "Bothersome Yardstick

"Otto Hauf, a director of the Mclean Electric Cooperative at Garrison attended the last national convention of the National Rural Electric Cooperative Association which was held in Florida about this time last year.

"On the way back from Florida the party stopped off in Tennessee to take a look at the internationally famous Tennessee Valley Authority.

"Here's what Mr. Hauf had to say about TVA to members of his Cooperative in a report made for distribution at the annual meeting.

"Coming back we stopped at Chattanooga, Tennessee, and looked over one of the dams of TVA. If you don't think they have cheap power listen to this. This is what the farmers pay, and the minimum bill is only 75 cents per month:

First 50 kilowatts at 3c equals \$1.50  
 Next 150 kilowatts at 2c equals \$3.00  
 Next 200 kilowatts at 1c equals \$2.00  
 Next 1000 kilowatts at .4c equals \$4.00'

"Mr. Hauf's report clearly shows why some private profit power companies would do everything in their power to kill off TVA. They don't like that 'yard-

stick' of low rates. They don't want the people to find out that given the right dams on rivers with adequate water—electric rates can be low.

"The Dixon-Yates contract is a good example as to how and why private profit companies are trying to invade TVA. They want to feed expensive power into the TVA system in the hope that it will drive the rate up. And naturally, it will.

"This is the 'why' of it.

"The 'how' of it is a little more complicated.

"Here, the profit utilities are trying to come in the back door.

"First, we must understand that the biggest consumer in the TVA area is the federal government. Because of the abundant power in the area, the huge Oak Ridge Atomic Energy plant was located here. (It takes a lot of electricity to process uranium to where it is usable.)

"Now, a new atomic energy plant is being built at Paducah, Kentucky. When it goes into operation, it is expected to be a big drain on electricity in the TVA area.

"However, instead of letting the federal government generate its own power for refining uranium at Paducah, the Dixon-Yates agreement would provide for a profit utility combine to contract and operate the plant. This current would be fed into TVA as 'replacement' power for Paducah. All this, without bids and specifications, and all negotiated in

## LOBBYISTS

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The main theme of the propaganda in all three of these efforts is to try to say that the Dixon-Yates contract is exactly similar to the contract that the Atomic Energy Commission made with Electric Energy, Inc. and with the Ohio Valley Electric Company. It is rather interesting to note that Commissioner Murray of the Atomic Energy Commission, on Monday, January 31, told the Joint Committee on Atomic Energy that there was absolutely no similarity between the Dixon-Yates contract and the contracts which have been previously made with EEI and OVEC. This, of course, has been the contention of your association and all others who have seen fit to oppose this contract.

The statement previously made by an administration spokesman, that the contract speaks for itself, doesn't seem to be sufficient. If the contract speaks for itself, why this sudden wave of propaganda and this frantic effort to make the people believe that it is actually good for the government and good for the Tennessee Valley?

The action of the Joint Committee on Atomic Energy on January 28, when they called on the Atomic Energy Commission to cancel the contract, is having a tremendous effect. It would not be appropriate to make any predictions in this article, but certainly we feel more optimistic than we have.

the darkest secrecy possible.

"Only recently have the terms of the Dixon-Yates contract come to light to prove what Rural Electric leaders said all along—the contract was loaded in favor of the Dixon-Yates group. A profit of at least 9 per cent was assured. One clause in the contract said that the government would have to pay for power which was never delivered, if for some reason beyond its control Dixon-Yates could not get into generation.

"The private profit lobby has tried to mislead the people by calling this a fight between 'public power' and free enterprise.

"The truth of the matter is that those who would preserve TVA as a yardstick are not necessarily 'public power' advocates. Most Rural Electric people believe in private power. They should, because they are all members of a private non-profit power company.

"And as for the 'free enterprise'—we always thought there was an element of risk in free enterprise—not a guarantee of fat 9 per cent profits. Yet Dixon-Yates is practically risk-free."