



Supply Chain Toolkit

Created in December 2021

TVPPA created this communications toolkit in response to recent member discussions about the challenges of sharing information about supply chain disruptions, particularly as they relate to transformers and other materials critical to servicing the needs of consumers and communities. Included in this toolkit are the following items that can be customized for your particular needs:

- Messaging for key accounts teams and other public company communications
- Ideas for how/where to consider sharing your message
- Sample letters to send to developers and other partners

This content was developed by TVPPA's Communications & Marketing team in partnership with the Communications Advisory Group. The group is exploring ways it can be of service to our members by creating additional toolkits in 2022. A survey regarding potential toolkit topics and resources will be distributed by the CAG the first week of January.

For more information about this toolkit and others, please contact Nathalie Strickland, TVPPA VP, Communications & Marketing at nstrickland@tvppa.com or Marlin Williams, TVPPA Communications Advisory Group Chair, at marlin.williams@nemepa.org.



Key Accounts Talking Points/News, Web & Social Content

Note: A variety of messages are provided below to offer something useful to members, regardless of their level of supply chain concern. Some LPCs may need to communicate as a precautionary measure while others may need to provide a clear message that they must stretch their existing resources in light of long-term delays, long-lead orders and shipping slow-downs. Please select or adjust messaging to apply to your circumstances, and note that we have offered additional there are wording variations in each of the sample letters.

- **[LPC NAME HERE]** takes very seriously our role in serving our **[INSERT – customers/members/you]** and our community. That’s why we are reaching out to you now to inform you that we are facing some supply chain challenges as a result of the COVID-19 pandemic.
- Like many other businesses, ours is experiencing **[EXTENSIVE/SHORT]** delays in the production and delivery of supplies, and steep price increases for available materials.
- The supply chain for materials commonly used in our industry has been under duress for many months, and the electric system devastation from recent tornadoes across four states has severely impacted the availability of supplies.
- Please be assured that **[LPC NAME HERE]** is making every effort to maintain materials and inventory to keep all projects on schedule.
- Some items we use in our everyday business are in increasingly short supply and production lead times are long. We have been actively seeking additional suppliers and have been closely monitoring both the on-hand and on-order materials.
- Consequently, we must closely monitor and, where necessary, stretch our resources, including materials like **[OUTLINE THE SPECIFIC SHORTAGE HERE – pole-mount transformers for overhead service/pad transformers for underground service/new work vehicles/electronics for field work/poles/electrical materials for underground service, other]**.
- To ensure quality service to existing homes and businesses, we are prioritizing our current materials supply for service maintenance and replacement.
- Because some materials are in short supply, we are concerned that we may be unable to make them available **[INSERT HERE]** to all projects currently under construction.
- As a precaution, we are informing you that we may be unable to provide timely electrification of future developments. Thus, we advise delaying developments that are not already under construction or exploring alternative solutions **[NOTE: for instance, if overhead transformers are available but pad mount transformers are not, perhaps a developer could consider overhead primary]** until we are able to ensure an adequate supply of **[INSERT HERE]**.
- We will continue to monitor our suppliers for any sign of an uptick in available materials and work to communicate the change. Meanwhile, please keep in contact with **[INSERT NAME, DEPARTMENT/TEAM HERE]** for updates.



Communication Ideas

Your businesses and the supply chain challenge you experience are unique. Please use the communication ideas below to determine what is best for your needs based on relationships with partners, consumers, community leaders and more. In keeping with the belief that it is better to under promise and over deliver, most LPCs will likely find it helpful to be transparent in communications now and hope for a better outcome, rather than keeping your concerns private and finding you need to later communicate that your stockpile had been dwindling for quite some time.

Key Account/Partner Meetings – meet with developers and other partners, community leaders and more, to discuss the challenges you are facing and potential solutions. *e.g., one TVPPA member is speaking directly with developers to let them know that the LPC does not expect to be able to provide underground service with pad mount transformers in the next year, but they believe they will be able to provide overhead primary with conduit service to the house. If underground service is a neighborhood or city requirement, the LPC is advising they delay the development.*

Letter to Key Accounts/Partners/Community Leaders – send a letter to developers and other partners to communicate the challenges you are facing. Also consider distributing a similar letter to community and chamber of commerce leaders inviting further discussion if they have questions.

[Note: letters, while potentially the clearest form of communication, could be shared by recipients with news media or others in the community. It is important to prepare to respond to such inquiries.]

Post to Website and/or Social Media – if you believe the supply chain challenges to be significant enough to warrant communication, you may wish to be transparent, albeit not too dramatic, in communications on your website and social media. This is not just a problem for your business, but for businesses nationwide regardless of the industry.

News Media – if you deem the situation urgent enough, consider sharing the news with business and real estate reporters. The likelihood is that developers and other partners will share the news with them anyway, so by sharing the news yourself it allows you to demonstrate proactivity rather than being put on the defensive later.



Sample Letters

Letter 1: Partners/Developers [Lower Level of Urgency]

Note: This letter is specific to the needs of the TVPPA member who supplied it for use by other members. Please take the liberty to edit it and any other materials to specifically address your local circumstances.

Dear **[INSERT NAME HERE]**,

As a trusted partner of **[LPC NAME HERE]**, we want to thank you for our strong working relationship and provide you with an update on our supply chain status and material inventory.

Many of you may be experiencing supply chain issues related to COVID-19 and, like you, we have also been impacted. Below are some important details concerning our current inventory as well as our delivery expectations and availability; these may impact our workflow and yours.

We are seeing delays in material production and delivery over a wide variety of materials that we use to construct our electrical system. Because of this, **[LPC NAME HERE]** has increased our order points and inventory to cover a longer-term supply than normal.

Please be assured that **[LPC NAME HERE]** is making every effort to maintain materials and inventory to keep all projects on schedule. We remain in constant contact with our suppliers to request information about expected orders. We understand that delays of this nature can impact your construction schedule as developers, contractors, and engineers.

Furthermore, because we share your concerns about maintaining target dates for completing projects, **[LPC NAME HERE]** has reached out to a number of additional material suppliers to service our needs and keep your construction projects moving.

We would also like to remind you that there are additional utility-specified materials (**meter bases, transformer pads, communications boxes, etc.**) that you may be providing and installing to complete your existing projects. Knowing that these can also be in short supply, we strongly encourage you to plan for purchasing these materials in anticipation of a much longer lead time than normal. **[Attached, you will find a list of supply houses that currently stock many of the specified materials that are needed for new service projects.]**

The key will be to plan ahead and keep in touch with these supply houses to ensure that your projects can be completed on time.

Thank you again for being a trusted partner of **[LPC NAME HERE]**; and thanks in advance for your understanding and patience should there be any small delays in the future.

Working together, we'll meet this challenge and keep our projects moving forward.

[END]



Letter 2: Partners/Developers [Higher Level of Urgency]

Note: Please take the liberty to edit this material and any others in the toolkit to specifically address your local circumstances.

Dear **[INSERT NAME HERE]**,

As a trusted partner of **[LPC NAME HERE]**, we want to thank you for our strong working relationship. We take very seriously our role in serving you, and that is why we need to make you aware of some COVID-19 supply chain delays that are affecting our material inventory now and could continue to impact us for some time to come.

The supply chain for materials commonly used in our industry has been under duress for many months, and the electric system devastation from recent tornados across four states has caused increasingly short supplies. Below are some important details concerning our current inventory as well as our delivery expectations and availability; these may impact our workflow and yours.

We are experiencing longer lead times and increased costs for a wide variety of materials that we use to construct our electrical system. Because of this, **[LPC NAME HERE]** has increased our potential suppliers and inventory to cover a longer-term supply than normal, and we are closely monitoring both on-hand and on-order materials. Still, some items are in increasingly short supply and production lead times are longer than any time in recent memory. Consequently, we must closely monitor and, where necessary, stretch our resources, including materials like **[OUTLINE THE SPECIFIC SHORTAGE HERE – pole-mount transformers for overhead service/pad transformers for underground service/new work vehicles/electronics for field work/poles/electrical materials for underground service, other]**.

We understand that delays of this nature can impact your construction schedule as **[INSERT AUDIENCE -- developers, contractors, and engineers]**. Because we share your concerns about maintaining target dates for completing projects, **[LPC NAME HERE]** not only remain in constant contact with our suppliers to request information about expected orders, but we have also reached out to a number of additional material suppliers to service our needs and keep your construction projects moving.

Meanwhile, to ensure quality service to existing homes and businesses, we must prioritize our current materials supply for service maintenance and replacement. Because of shortages, we are concerned that we may be unable to make them available to all projects currently under construction. As a precaution, we also are informing you that we may be unable to provide timely electrification of future developments. Thus, we advise delaying developments that are not already under construction or exploring alternative solutions **[NOTE: for instance, if overhead transformers are available but pad mount transformers are not, perhaps a developer could consider overhead primary]** until we are able to ensure an adequate supply of **[INSERT HERE]**.



We will continue to monitor our suppliers for any sign of an uptick in available materials and work to communicate the change. Meanwhile, please keep in contact with **[INSERT NAME, DEPARTMENT/TEAM HERE]** for updates.

[OPTIONAL CONTENT: We would also like to remind you that there are additional utility-specified materials (meter bases, transformer pads, communications boxes, etc.) that you may be providing and installing to complete your existing projects. Knowing that these can also be in short supply, we strongly encourage you to plan for purchasing these materials in anticipation of a much longer lead time than normal. Attached, you will find a list of supply houses that currently stock many of the specified materials that are needed for new service projects.

The key will be to plan ahead and keep in touch with these supply houses to ensure that your projects can be completed on time.]

Thank you again for being a trusted partner of **[LPC NAME HERE]**; and thanks in advance for your understanding and patience should there be any small delays in the future.

Working together, we'll meet this challenge and keep our projects moving forward.

[END]



Letter 3: Article Content/ Open Letter to Community/Members/Customers [Lower Level of Urgency]

Note: This letter is specific to the needs of the TVPPA member who supplied it for use by other members. Please take the liberty to edit it and any other materials to specifically address your local circumstances.

The impacts of the pandemic seem to evolve daily. In addition to prioritizing employee and [INSERT -- member/customer/community] health, **[LPC NAME HERE]** continues to concentrate on responding to growth in many of the communities we serve.

This involves proactively planning for the addition of **[INSERT APPROPRIATE CONTENT HERE – substations, service, other]** where communities are beginning to outgrow existing infrastructure, working with developers on residential subdivisions and working closely with new and existing businesses to meet the needs of their operations.

With the ongoing supply chain challenges, this has required an even higher level of strategic effort and transparent communication on the part of our team.

As our communities see a shortage of items in stores, fewer vehicles at dealerships and limited building supplies, electric utilities are also faced with slowing down of production for some of the most important pieces of equipment we use.

[LPC NAME HERE], like many utilities across the country, has been impacted by the increased cost and longer delivery times for **[OUTLINE THE SPECIFIC SHORTAGE – transformers, wire, street lights and even basic hardware such as bolts, nuts and washers]**.

As out line crews leave the office each day to repair and maintain the **[LPC NAME HERE]** system, the are more mindful than ever of the need to preserve materials while still adhering to the highest quality of workmanship and safety standards.

The continued growth throughout [INSERT HERE – city/community/region] has not slowed down, and [LPC NAME HERE] continues to work hard to keep up with the demand.

Part of these efforts includes working closely with developers and prospective industry to set clear expectations on the turnaround time of some of these crucial materials.

To date, **[INSERT ITEM -- pad-mount transformers, pole-mount transformers, other]** are about **[INSERT DURATION – a year, a month, other]** from deliver. **[INSERT ITEM -- Pole-mount transformers, pole-mount transformers, other]** that once took **[XX]** weeks to deliver are now arriving **[XX]** weeks after being ordered. These longer wait times mean that adjustments are being made for some project timelines.



[LPC NAME HERE] has remained proactive in ordering materials to meet the needs of projects already known to our team. The challenge comes when new projects arise **[or material stores are diminished by supply delays]**.

Maintaining the needed inventory of supplies and equipment is never an easy job, and it is certainly made more challenging when the supply chain comes to a halt for so many key industries.

Your dedicated [LPC NAME HERE] team members have not wavered in their commitment to upholding our [company/business/cooperative/utility]'s mission. And we are grateful for the patience and understanding of those we serve as our team continues to investigate solutions to these supply chain challenges.

[END]



Sample News Article

Note: A TVPPA member shared this news article to demonstrate what information could be helpful to a reporter, especially when both cooperative and municipal power companies share a media market. If you wish to draft a press release or supply an article backgrounder to local media, this can serve as a basis for your company-specific content.

Utilities Experiencing Same Supply-Chain Issues as Other Industries

Public utilities in the Tennessee Valley are not immune to the effects of supply chain issues that are plaguing other industries across the U.S. From conductor to transformers to bucket trucks, long lead times and spiking prices are forcing procurement and operations managers into uncharted territory.

The cause? Joe Paxton, director of the office for operational excellence at the University of Alabama in Huntsville, said the causes are multi-faceted.

“Many of the supply chain problems we are feeling today have been around for decades as our dependence on oversea suppliers has grown,” Paxton said. “Even for products that are manufactured domestically, many parts and raw materials are sourced elsewhere. Until recently, we have been sheltered from the normally long lead times with inventory. This excess inventory has been at the suppliers, in-transit, in warehouses, and in the facilities or stores from which we purchase things.

The pandemic impacted operations around the world and slowed or stopped production at manufacturing facilities both in the U.S. and abroad. “That trickles down to us in the form of empty shelves and long delivery times,” Paxton said. And even as facilities come back online, replenishing inventory takes time.

Adding to the severity of the supply chain issue is a limited ability to move products and materials. Paxton said reduced workforces at U.S. ports have reduced the ability to get products into the U.S. and a national shortage of truck drivers is making it difficult to move product throughout the country.

To further compound the problem, Paxton said people have spent much more time in their homes during the pandemic and started new hobbies, remodeled, and added on to their houses. As a result, demand for many products and supplies, and the raw materials that go into them, has increased.

Benita Owens, director of purchasing and warehousing at Joe Wheeler EMC in Trinity, Alabama said the cooperative has revisited its specifications on transformers to help meet need. “We are seeing longer lead times on transformers – up to a year on single phase,” Owens said. “By revisiting our specifications, we’ve been able to use more of our own re-manufactured units.” However, an inability to get pad-mount transformers may delay electrification of several new subdivisions in the Joe Wheeler EMC service area.



Owens said Joe Wheeler has agreements and alliances in place for hardware, connectors, conductor, and poles. Those arrangements with three different suppliers “have been a life saver” she said and has allowed Joe Wheeler EMC to maintain adequate inventory levels for the time being.

Vehicles? That’s a completely different story. Owens says her usual vehicle vendors are not accepting orders for new bucket trucks at the present time.

As purchasing personnel work diligently to keep inventory stocked to the extent possible, operations managers are experiencing their own headaches keeping utility infrastructures maintained and functioning.

Steven Williams, electric field superintendent for Decatur Utilities (DU) in Decatur, Alabama, said flexibility in scheduling work and planning ahead are the keys to surviving at this point. “We are now having to look at not just stock material we already have but availability of material that we will need for projects coming soon,” he said. “Large-scale projects like system maintenance and feeder tie-ins are being evaluated and will likely be delayed for the time being.”

DU maintains minimum inventory levels for equipment failure, storm damage, poles broken by vehicle accidents, etc. “Even then, look at the unexpected December 2021 tornadoes in Kentucky and Tennessee,” Williams said. “Overnight, many of their utility systems were leveled and will have to be rebuilt. Those types of catastrophic events put an even greater strain on the supply chain.”

While DU has been able to place orders for new line trucks, delivery will not occur until mid to late 2022 at best. “That means we have to keep our older trucks maintained and operating a while longer,” he said. “Maintenance is the key to that.”

DU, like Joe Wheeler EMC, is now trying to get a little more life out of items that would have previously been liquidated. “We are keeping some older transformers from pole replacements,” Williams said. “In the past those would have automatically been sold, but now we set them aside just in case we need them.”

When will things improve? Unknown. “Suppliers are not giving us much hope as to when we can expect shorter lead times and improved availability,” Owens said. “So, I predict things will continue like they are through 2022.” Williams agreed. “We all want things to get back to some sense of normality,” he said. “But what we are hearing is to expect the current situation to be much the same during 2022.”

Paxton said companies can take action now to be better prepared for future disruptions through awareness and planning. “Knowing what disruptive events a company is at risk of experiencing and planning for those is critical,” he said. “In addition to developing and formalizing these plans, they should also be stress tested to ensure their business can rapidly and effectively respond and recover.”

In the immediate term, Paxton said some relief may be found by seeking alternate sources, changing processes to utilize more available supplies, repurposing material, supplies and products for different applications than their original intent.



The good news? Public utilities are resourceful and resilient, and local municipal power companies and rural electric cooperatives are managing the situation and staying on top of the issue. As is the case with storms and other challenges, local power providers and the community will get through this together.

[END]