

the Powerline

Sevier County Electric System's Quarterly Newsletter
Spring 2011



SEVIER COUNTY
ELECTRIC SYSTEM
The power behind our community

Setting the record straight. After a winter of nearly unprecedented cold temps and high energy bills, this issue of The Powerline addresses common *misconceptions* about our billing practices and explains the upcoming TVA rate structure changes.

New Seasonal Rates

Effective April 1, 2011

After more than two years of planning, TVA and its 155 power distributors are implementing a new rate structure designed to promote energy efficiency and reduce peak power demand. Effective April 1, 2011, SCES will begin using a Seasonal Rate Structure.

What are seasonal rates?

Summer, winter and transition months are billed at different rates. Summer and winter rates will be slightly more, and transition rates will be slightly less than under the previous single rate plan.

- Summer (June-Sept)
- Winter (Dec-March)
- Transition (Apr-May, Oct-Nov)

Why is TVA changing its rates?

To reduce operating costs and to reduce/prevent investment costs for new power generation plants. The cost of power production varies significantly based on time of day and time of year. TVA must operate its higher cost plants or purchase power from other sources during summer and winter peak demand periods. The new structure more closely reflects these increased costs of operation. The plan is designed to be revenue-neutral. TVA intends to encourage power distributors to manage their demand and customers to conserve energy resulting in lower overall operating costs.

How will this affect my monthly bill?

Since SCES is a winter-peaking system, our customers may benefit slightly. Most customers will see no impact on their yearly energy costs. The summer / winter increases should be balanced by the transition season decreases.

Winterfest Lights

Myth: Customers pay for Winterfest Lights

Fact: Cities pay all Winterfest display-related usage

Who pays for the Winterfest Lights?

Each city that participates in Winterfest is responsible for the entirety of its electric usage, including the holiday lighting displays. The total cost for Winterfest 2010 lighting was \$32,034.33. This total includes usage for all participating cities for all four months. Each city has been billed for its own usage.

Who installs and maintains the Lights?

Each city purchases, installs, and maintains its own lighting displays. SCES only serves as the electricity provider.

Why are bills higher during the Winterfest season?

Winterfest runs from approximately Nov 1- Feb 28. This coincides with the typical winter heating season.

Why do we have Winterfest in Sevier County?

Tourism drives the economy in Sevier County. But prior to 1989, the tourist season ended when the autumn colors peaked. Businesses closed for the winter season, resulting in high unemployment rates and low revenues during the cold months. In 1989, Winterfest changed the economic landscape of Sevier County by making tourism a year-round business. The cities of Sevierville, Pigeon Forge, and Gatlinburg partner in the festival which brings several million additional dollars of revenue to Sevier County. The festival has resulted in overall higher employment, tax collections, hotel occupancy, restaurant sales, and one of the lowest property tax rates in the state.

The Bottom Line

- SCES customers do *not* pay for Winterfest Lights.
- SCES does *not* own, install, or maintain Winterfest Lights.
- SCES customers are invoiced *only* for their usage.
- SCES is a public utility, governed by a board of directors, and is separate from city/county government.
- SCES is a *not-for-profit* TVA power distributor.

power
action line

865-774-6300

A Friendly Voice
When the Lights Go Out

Thank You

Green Power Switch Commercial & Industrial Customers

| | |
|----------------------------------|--|
| Alamo Steakhouse Gatlinburg | May Studios |
| Alamo Steakhouse Pigeon Forge | Meadowbrook Apartments |
| Anna Porter Library | Natural History Association |
| Appliance Discount Center | Jim Gray Galleries |
| Bennett's BBQ Gatlinburg | John Steven Morton DDS |
| Bennett's BBQ Pigeon Forge | McCarter Auction |
| Bruce Johnson | Mountain National Bank |
| Citizens National Bank | Mountain Press |
| City of Gatlinburg | Pancake Pantry |
| City of Pigeon Forge | The Park Grill LLC |
| City of Sevierville | Reliable Printing |
| Clarion Inn | Riversong Homeowners |
| Comfort Inn at Apple Valley | Riverside Motel |
| Cross Creek Properties | Riverside Towers |
| Dr. Craig Ratcliff | Riverwalk Properties |
| Eight Gables Inn | Sevier County Bank |
| Everything Natural | Sevier County Courthouse |
| Forbidden Caverns | Smoky Mtn Convention & Visitors Bureau |
| Friends of the Smokies | Smart Bank |
| Gatlin Country Leather & Gallery | Staples Inc |
| Gatlinburlier Tobacconist | Steaks Sophisticated |
| Gatlinburg Chamber Of Commerce | Sweet Fanny Adams Theatre |
| Great Smoky Mountain Nat'l Park | T & D Investments |
| Great Smoky Mountain Institute | Tennessee State Bank |
| Hatcher's Cleaners | Timbertops Cabin Rentals |
| Hills Creek Baptist Church | T L C Mountain Rentals |
| Jackson Mountain Homes | Town of Pittman Center |
| Kelco Ltd. | Trotter & Associates Architects |
| King's Road Inc | Gary R Wade |
| Leconte Medical Center | Geoffrey Wolpert |
| Lee's Total Health Pharmacy | Zipo Inc. Ramada Limited |
| Kenny D Maples | |
| Ross Markley | |

By Switching to Green Power, you are paving the way to a cleaner environment for the Great Smoky Mountains and the entire Tennessee Valley. It really does make a difference.



Green Power Switch®

Call Lucas Harkleroad at (865) 774-6264 for more information, or sign up online at www.sevces.org.

Ask Vegetation Management

Q: What trees can I plant under the power lines that go through my yard?

A: We recommend that NO tree be planted within any power line right-of-way. Vegetation that reaches an expected mature height within 10 feet of any power line is subject to be trimmed or removed and should be avoided. Limit landscaping options to shrubs and other low-growing plant species under power lines.

A good rule to consider when locating any tree near power lines is to note the expected mature height of the tree that you are planting, and locate the planting hole that many feet away from the power line. For example: Sugar maple- expected mature height of 60 feet, locate tree 60 feet away from the power line.

When these considerations are followed, we all can enjoy safe and reliable electricity without causing harm to our trees!

To submit a tree-related question to The Powerline, email trees@sevces.org

News from Vegetation Management

Circuit Trim Update

In fulfilling our plans to trim approx. 500 miles of distribution line in 2011, SCES Vegetation Management currently has secured four different contractors clearing rights-of-way.

- ABC Professional Tree
- Asplundh Tree Expert Company
- Nelson Tree Service, Inc.
- Wolf Tree

Properly trimmed trees are less susceptible to disease and insect problems making them stronger, healthier and more resistant to high winds.

For more info about
Trimming or Veg Mgmt,
call (865) 774-6274 or
visit www.sevces.org

Looking for additional information on SCES services?
Visit us online at www.sevces.org or call (865)453-2887