



# SEVIER COUNTY

## ELECTRIC SYSTEM

*The power behind our community*

## The Powerline

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### Rate Increase Effective October 1, 2008

As of October 1, 2008 TVA will increase the rate on what it charges SCES for electricity by 20 percent. The increase is broken down by a 17% quarterly fuel cost adjustment to offset the rising cost in coal and natural gas prices. The remaining 3 % is a base rate increase for TVA's 2009 fiscal budget.

The average SCES residential customer uses approximately 1272 kilowatt-hours of electricity per month, meaning the average bill will increase from about \$117.00 to \$135.00. Of that \$18 increase, about \$3 is from TVA's hike on electricity and approximately \$15 is from TVA's Fuel Cost Adjustment increase. Actual billing amounts will vary depending upon individual usage.

	<b>RATE</b> (cost per kwh)	<b>SERVICE CHARGE</b> (per month)	<b>FCA</b> (cost per kwh)	<b>RATE</b> (per 1272 kwh)	<b>FCA</b> (per 1272 kwh)	<b>TOTAL</b> (per 1272 kwh)
Old	\$.07493	\$12.50	\$.00721	\$95.31	\$ 9.17	\$116.98
New	<u>\$.07710</u>	<u>\$12.50</u>	<u>\$.01898</u>	<u>\$98.07</u>	<u>\$24.14</u>	<u>\$134.71</u>
Difference						\$ 17.73

### NO COST & LOW COST ENERGY SAVING TIPS

**All HVAC systems should have a Maintenance or Diagnostic exam performed one time a year. This helps to improve the efficiency and increase the life of the system. This could help prevent an extremely high bill and help give you the peace of mind that your HVAC system is functioning properly for the heating season.**

- Caulk and weather strip around windows and doors to stop air leaks
- Seal gaps in floors and walls around pipes and electrical wiring
- Change air filters monthly
- Replace incandescent bulbs with compact fluorescents, they use 75% less energy and last 10 times longer
- Install aerating low flow faucets and showerheads
- Fix any leaky faucets, one drop per second can add up to 165 gallons a month
- Tune up your heating and cooling system annually to keep it running as efficiently as possible
- Have your ductwork inspected and repair any leaks
- Add insulation to your attic, crawl space, and any accessible exterior walls
- Wrap your water heater with insulation or install an insulating blanket
- Use power strips for home electronics and turn off power strips when equipment is not in use
- Replace worn out seals on your refrigerator and freezer
- Perform a do it yourself home energy audit. Visit [www.energyright.com](http://www.energyright.com) for paper or online survey
- Reduce hot water use by taking shorter showers and using cold water for the rinse cycle in your washer
- Turn off lights, televisions and other appliances when not in use
- Clean refrigerator coils regularly to keep compressor running efficiently
- Use the microwave when possible, it cooks faster and doesn't create as much heat as a stove burner
- Match the size of your pot or pan to the size of the burner
- Make sure your dryer's outside vent is clear and clean the lint filter after every load
- Keep all windows and doors located near your thermostat closed tightly
- Keep heat sources such as lamps and appliances away from your thermostat
- Install foam gaskets behind electric outlet and switch plate covers
- Dry one load of clothes immediately after another to minimize heat loss
- Defrost frozen food in the refrigerator before cooking
- Keep your outside air unit clean and clear of debris or weeds
- Use low watt bulbs where lighting is not critical

## Levelized Billing

### Predictable Electric Bill & No Late Fees

There is now a way to guard against large fluctuations in your monthly electric bill without ever having to play catch up at year's end. Levelized billing is designed to keep your electric bills affordable every month as long as you remain on the plan. It's the ideal way to accurately anticipate your monthly electric bill.

Levelized billing makes your electric bill predictable. Your monthly electric bill is a rolling average of your electric usage for the past 12 months, plus 1/12 of any difference between levelized bills and actual bills.

Because Levelized billing uses a rolling average, your monthly bill will vary slightly each month. Since changes in usage are averaged in over a 12 month period, there is never a really big bite in the very cold or hot months when usage may be high.

#### Levelized Billing Qualifications

1. You must be a SCES customer for 12 months @ same location
2. Once on the Levelized billing plan, you must keep your account current
3. You must sign up for Automatic Bank Draft

## Project Round Up

### A Little Change Makes A Lot of Difference

Giving back to our community is a very important part of Sevier County Electric System's business philosophy, and we believe that our customers share this ideal. Project Round Up is one of the easiest ways we can all help members of our community, and it costs less than a dollar a month.



Project Round Up helps customers in our community by providing electric service in times of hardship. SCES's customers contribute to the program by volunteering to have their monthly electric bills rounded up to the next whole dollar. Individual contributions never amount to more than 99 cents each month. The total would not exceed \$12.00 a year. Put this small change together and it makes a lot of difference to our community.

### Lets Make a Difference Together ! And Its Free!

Sevier County Electric System is offering our customers FREE "Do It Yourself" home energy audits. You can request the Home Survey by calling SCES at 453-2887 or online at [www.energyright.com](http://www.energyright.com). This survey serves a dual purpose. The first is that it helps the customer find economical ways to reduce their electric bill. The second purpose is to reduce electric demand for TVA. Consumers who complete an audit will receive a personalized report that illustrates their home's energy use and cost. The report includes tips on how to cut back on electric use and reduce the electric bill. The energy efficiency kit will arrive by mail 4-6 weeks after the survey is complete. TVA estimates a savings of \$2-\$4 a month if all the contents of the kit are used. The kit includes 2 compact fluorescent light bulbs, outlet and light switch gaskets, a filter whistle, 2 faucet aerators, a hot water temperature card, and an energy use thermometer gauge. This home energy audit is a win-win situation for the customer and Sevier County Electric.



## UNDERSTANDING THE TVA FUEL COST ADJUSTMENT

### What is the TVA fuel cost Adjustment?

The FCA is the device TVA uses to help recover largely uncontrollable fuel and purchased power cost, including weather and demand issues.

### Why Does TVA need a FCA?

The FCA ensures TVA recovers costs as they occur, helping TVA better match its revenues to expenses.

### Why do consumers pay for fuel?

Approximately 56% of TVA's power supply comes from fossil fuels used to make electricity (coal, oil, and natural gas). When the prices of these fuels increase, TVA's costs increase. When higher prices force TVA to increase its FCA to recover costs, we must pass these costs along to our customers.

### Why does the FCA keep increasing?

Coal costs have more than doubled since December 2007. Natural gas prices are up by more than 65%. In addition, the TVA region is in the 3<sup>rd</sup> year of a historic drought that continues to reduce its cheapest power source-HYDRO GENERATION- forcing TVA to use more expensive power.

### How is the FCA calculated?

The FCA is calculated every 3 months as generation fuel costs and the cost of power TVA purchases from other suppliers rise and fall. The FCA calculation works by capturing the difference between the amount that TVA forecasts to pay for fuel during a given quarter and the amount that is collected through rates.