

Tri-County Member-Owners to Receive Gift of Reduced Fuel Cost Adjustment

Tuesday, December 16, 2008

As cold weather kicks into high gear, TVA is giving a belated Christmas gift to Tri-County Electric member-owners. Effective January 1, 2009 TVA is reducing the fuel cost adjustment (FCA) portion of their rate from 1.8 cents per kWh to 1.3 cents per kWh.

Tri-County Electric member-owners use an average of 1300 kWh per month. Based on average usage, their monthly electric bill will decrease approximately \$6.74 per month.

According to TVA officials, the fuel cost adjustment decrease is the result of recent reductions in purchased power and natural gas prices. These decreases have reduced TVA's actual costs and forecast.

Unfortunately the news is not all good. Coal prices remain significantly higher than one year ago and TVA's hydro generation has been cut by more than 50% due to sustained drought conditions. These factors prevented TVA from a larger decrease in the fuel cost adjustment.

"With today's uncertain economy, a decrease in any monthly bill is helpful" said Paul Thompson, Executive V.P. & General Manager, of Tri-County Electric. "Although we do not receive any additional revenue from TVA rate increases, Tri-County Electric has no choice but to pass the increase along to our member-owners. In this case, I am very happy to say we will be able to pass along the fuel cost adjustment rate decrease".

"Although I am pleased with TVA's fuel cost adjustment decrease, Tri-County Electric would encourage our member-owners to continue practicing our recommended energy saving tips to further reduce their monthly electric bills. Anyone needing an additional copy may visit our website at www.tcemc.org or contact their local office."