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News Release

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AUB ELECTRIC POWER RATES WILL FALL IN APRIL; SECOND DECREASE IN A ROW

ATHENS, Tenn. – TVA recently announced that the Fuel Cost Adjustment, or FCA, for the quarter beginning April 1, 2009, will fall, reducing electricity rates across the Tennessee Valley for the second straight quarter.

AUB spokesman Wayne Scarbrough said that AUB's retail rate for power also will fall.

“When TVA must adjust the FCA upward we have to pass that through to stay financially whole as a local power distributor. Likewise, when TVA adjusts the rate downward we are happy when we can pass that through as well so that our customers realize the reduced rate,” Scarbrough said.

“This is good news for all of us. Our rate for each kilowatt hour of energy used by residential customers will fall by about 6.3 percent as of April first,” he said.

Average monthly use of electricity by AUB residential customers is 1263 kilowatt hours. Usage at this level would realize a savings of about \$7.00 per month at the upcoming lower rate, Scarbrough said.

Most residents use more than the average figure because the calculation includes meters on shops, barns, well pumps, vacant buildings and other accounts that use little energy each month.

“This means the rate reduction will help most families more than that \$7.00 per month figure,” he added.

“Back in October when we saw an FCA increase of 17 percent, everyone was hit hard. That created a lot of real hardship and a lot of ill will regardless of reasons for the adjustment.

“We had many customers share their theories on rate setting and their skepticism that rates would ever come down,” Scarbrough said.

“The good news is that we now have two rate decreases in row. I think that's worth recognizing as well. When we must raise rates we do so in a reasoned, fiscally responsible way to keep the finances of the community's utility in line. When we can lower rates, we do that, too,” he said.

AUB General Manager Eric Newberry said that he understands customer skepticism and the impact of high bills on area consumers.

“Athens and McMinn County residents and business are facing challenges on multiple fronts. We've lost jobs and have seen upward price pressure on many commodities. Plus, the wintertime cold has intensified the impact on everyone because energy use increases significantly in cold weather,” he said.

AUB reduced the energy rate by about 5.5 percent in January via the FCA downward adjustment. Coupled with the upcoming reduction in April the utility will have lowered rates by almost 12 percent in three months as TVA's FCA has come down, Scarbrough said.

Scarbrough also noted that the past two months of cold weather have driven bills up despite the wintertime rate reduction.

“For the month of December the average overnight low was right at 32 degrees. For January that average low was 26 degrees, and February remained cold as well with many nights in the teens and twenties and an average low of 29 degrees. That drives usage up as heating systems stay on longer every day trying to keep up,” he said.

“We hope that these two consecutive rate reductions and the milder spring weather to come will reduce the burden on everyone. No one has been immune to the financial strains in the past few months. We're as happy as anyone to see rate decreases that we can pass along to our customers,” Newberry said.

For tips on energy conservation and ways to lower your usage of energy and water, see AUB's website at www.aub.org.

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