


TVEPA: Base Electric Charge Decreased Generation Surcharge Increased

The Generation Surcharge is the cost of fuels (nuclear, coal, oil, natural gas and purchased power) paid by the Tennessee Valley Authority (TVA) to generate and supply electricity. Tallahatchie Valley Electric Power Association (TVEPA) purchases all of its electricity from TVA.

The fuel cost charged by TVA increases or decreases depending on the cost of fuels used by their power plants to generate electricity. Furthermore, the surcharge varies with the amount of electricity used in each member's home.

Before April 2011, a large portion of TVA's total fuel costs were included in the base Electric rate line item of your bill. A relatively small amount of TVA's fuel costs were recovered through the monthly Generation Surcharge line item on your bill.

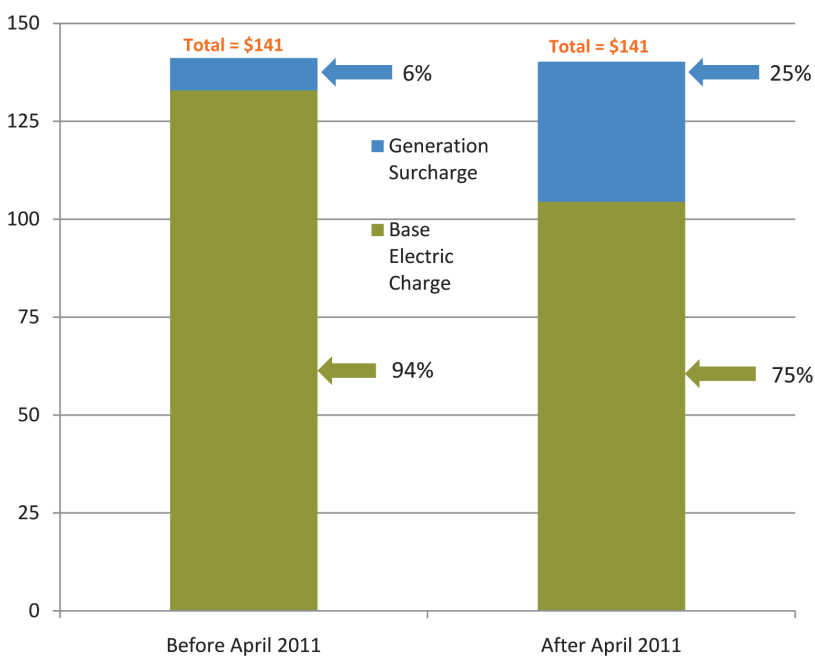
ACCOUNT NUMBER:	08457	METER NUMBER:	78624	 <i>Tallahatchie Valley EPA</i> <i>one number does it all</i> <i>(662) 563-4742</i>	
CUSTOMER NAME:	John and Jane Doe				
SERVICE ADDRESS:	123 Main Street				
METER READING DATE:	07/20/11				
DISCONNECT DATE:	08/26/11				
SERVICE	PREVIOUS READING	CURRENT READING	AMOUNT USED	AMOUNT	
Electric	20636	22030	1394	105.08	
TENNESSEE VALLEY AUTHORITY FCA - GENERATION SURCHARGE				35.92	
TOTAL CURRENT CHARGES				141.00	
BALANCE FORWARD				0.00	

After April 2011, TVA has completely removed all of the fuel costs from the base Electric rate line item and those fuel costs are now included in the Generation Surcharge line item on your bill.

As a result, the new monthly Generation Surcharge on your bill is larger than the Generation Surcharge in the past because it contains the fuel costs that have previously been included in the base Electric rate. The base Electric rate line item of your bill is lower by the same amount the Generation Surcharge increased. It is simply a case of moving charges from one portion of your bill to another.

(SEE FOLLOWING EXAMPLE)

AVERAGE MONTHLY RESIDENTIAL BILL



All distributors that purchase power from TVA have this same surcharge included in their bills. Some TVA distributors chose to keep it in one total bill amount. However, in an effort to be transparent with our members this cost was itemized into the Generation Surcharge line item. TVEPA simply collects this surcharge from our members and passes it directly to TVA. We want you to know the components of your bill and make sure you understand that TVEPA makes no profit from this charge.

Tallahatchie Valley EPA will continue to communicate our members' needs to TVA as we strive to provide the best and most affordable electric service possible. We recognize our economy is in turbulent times and have partnered with TVA to provide the In-Home Energy Evaluation program to help consumers save money on their electric bills. An Online Home Energy Audit and other valuable information are available at www.energyright.com. By participating in this audit, you will also receive a free conservation kit. This kit can help you save up to 20% on your annual utility cost if the audit recommendations are implemented.

Thank you for this opportunity to clarify this important issue and for allowing us to serve you.



Brad Robison, CEO

Tallahatchie Valley Electric Power Association

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