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HOMETOWN POWER

September 2010

MURFREESBORO
ELECTRIC
DEPARTMENT

Understanding the upcoming TVA rate change

(Note: This is the first article in a three-part series examining TVA's plan to change its rate structure.)

In April 2011, the Tennessee Valley Authority (TVA) is scheduled to change the way it bills its distributors for wholesale power. This move will impact not only how consumers pay for electricity, but ultimately how they use it as well.

As a distributor of TVA-generated power, Murfreesboro Electric Department (MED) has a long-term relationship with the region's power provider. "The electricity we sell to our customers is purchased wholesale from TVA," says Steve Sax, general manager of MED. "The rate structure TVA uses to bill us for that power has been in place since 1992. We are operating in a very different utility market today, and TVA needs to change its rate structure to reflect that."

The new rate structure will be tied to the actual cost of generating electricity — a factor which changes throughout the day and across seasons. "People use more electricity in the mornings when getting ready for work and school, and in the early evenings when they come home and adjust thermostats, cook supper and wash clothes," says Sax.

"Furthermore, the demand for electricity is higher during the extreme

temperatures of summer and winter, and lower during the milder weather of fall and spring," he adds.

The new rate structure will reflect these variables. TVA will charge its distributors a higher price during times of greater demand, when power is more expensive to generate or purchase on the open market.

The idea of prices changing based on demand is not a new concept. The price of gasoline, for instance, climbs higher in the summer months when more people are planning road trips. During holiday travel periods, the price of airline tickets and hotel rooms are at their highest.

It is a basic economic law that greater demand results in higher prices.

TVA is not alone in its move toward pricing its power based on current demand. "This is part of a national trend to bill energy users higher rates when demand is at its peak, and lower rates during off-peak times and seasons," explains Sax. "This will not only simplify TVA's rate structure, but it will also encourage consumers to shift some of their energy use to less expensive off-peak hours." ♦

In the November/December 2010 issue, read about factors affecting power costs, and how MED is preparing for a future of billing based on time of use.

Public Power Week at MED

October 11 – 15 • 9:00 a.m. – 12:00 noon
205 North Walnut Street

Stop by our lobby during Public Power Week and receive valuable information on programs such as the **In-Home Energy Evaluation** and other ways to save energy.

Money-saving tips for fall & winter:

- Keep the curtains open in the daytime to let the sunlight warm your home.
- Programmable thermostats can save you money. You can program the thermostat to run cooler at night and warmer during the day.
- Clean your air system's filters every month. Dirty air filters make your unit work harder and use more electricity.

Visit murfreesboroelectric.com for more ideas

Lineman Rodeo brings recognition to MED, tourist dollars to Murfreesboro

In July, Murfreesboro Electric Department hosted the 2010 Tennessee Valley Lineman Rodeo, a regional competition of utility professionals that brought hundreds of visitors to the city.

It was the first time Murfreesboro has hosted the annual event, which features team and individual competitions that test the skills of linemen.

Weeks of work went into preparing the competition field and taking care of the many details necessary to host such a large event. MED's efforts were recognized at the competition's awards banquet when the utility was presented the Gene Adams Memorial Award for exemplary work in hosting the event.

Danette Scudder, coordinator of the event, says everyone at MED embraced the opportunity to host the lineman rodeo. "They created new activities to enhance the family-event experience," she says, "including a kid's zone with a junior rodeo competition and a Facebook page that tracked preparation from building the field to arrival of competitors."

"It was a great experience for MED to host our fellow utility professionals from across the Southeast," says Amy Byers, director of marketing for MED. "It



JIM FULLER

1ST
PLACE

Overall Senior Lineman
Hurtman rescue- Senior Division
B-I Tie-in-Senior Division

2ND
PLACE

Overall Journeyman Lineman
OCR Jumper Change-out
Poly Insulator Change out

BRANDON ALLEN

1ST
PLACE

Apprentice Written Test

MICHAEL FARLESS

2ND
PLACE

OCR Jumper Change-out
Apprentice Division

also had a positive impact on Murfreesboro's economy."

According to estimates from the Rutherford County Chamber of Commerce, approximately 981 people participated in the event, generating more than \$179,000 in revenue from lodging, meals and miscellaneous expenses.

"MED and our local economy were not the only winners," says Byers. "Three of our own linemen placed in various individual competitions."

"Being host to the lineman rodeo was very positive for Murfreesboro,"

says Steve Sax, MED general manager.

"We are extremely proud of all our linemen who participated, and the many other employees who put their time and effort into making this a successful event for our city." ♦



**To report a power outage, please call
(615) 893-5515**

- ♦ **Phone** (for customer service)
(615) 893-5514
- ♦ **Email**
customerservice@murfreesboroelectric.com
- ♦ **Mail**
P.O. Box 9 • Murfreesboro, TN 37133-0009
- ♦ **Walk-In or Drive-Thru**
205 North Walnut Street
Murfreesboro, TN 37130

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Paying Your Bill: You may pay your Murfreesboro Electric bill through the mail, at our office, by phone, or on our Web site at www.MurfreesboroElectric.com.



MED's Outage Reporting Number helps us manage outages more efficiently — but it only works if we have your correct phone numbers on file. Call 893-5514, stop by the MED office or visit our website to update your records.

To report an outage, call MED's Outage Reporting Number:

615-893-5515