

News Release

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Local power bills to remain steady as MED absorbs TVA rate increase

The Tennessee Valley Authority is raising its rates, but customers of Murfreesboro Electric Department will not feel the sting of higher power bills.

TVA on Friday announced a 1.5 percent retail rate increase that will become effective October 1. While many utilities across the Valley will likely pass this increase on to their customers, Murfreesboro Electric has announced it will absorb the increase.

Customers who use an average of 1,000 to 1,500 kilowatt-hours of electricity each month will avoid an increase of \$1.50 to \$2.25 on their monthly power bills. This represents \$2 million in savings each year for customers of Murfreesboro's electric distributor.

By absorbing this increase, MED is doing more than saving customers money. Low electric rates help small business owners maintain costs, keep more money circulating in the local economy and support economic development.

MED is able to bear the cost of the rate increase because of the utility's strong financial position, low debt and long-term strategic planning. "This is a great example of the benefit our customers see from our focus on financial strength and careful planning," says Steve Sax, MED's general manager.

"We are proud to be in a position to save our customers money," Sax adds. "By absorbing this increase, we continue our mission of being good stewards of our customers' resources, as well as strong partners with this city and its citizens in building Murfreesboro's future."

Because MED is able to work solely within the confines of the city of Murfreesboro, it can operate more efficiently than many other utilities. MED has built a modern, highly

sophisticated distribution system while maintaining very low debt. “After spending more than 75 years paying for their electric system, our customers can look forward to MED spending less on substations and distribution lines — and more on providing reliable service, keeping rates stable and even reducing rates in the future,” says Sax.

TVA’s rate increase is part of its \$10.7 billion budget for fiscal year 2016. According to a TVA press release, the budget “requires continued productivity improvements to reduce operating and maintenance costs while funding \$3 billion in capital investment in generating plants and system improvements.”

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