

TVA Bills to Shrink

The Tennessee Valley Authority's quarterly fuel cost adjustment (FCA) will decrease for the third straight quarter for billing periods beginning July 1.

This decrease, in addition to reductions Jan. 1 and April 1, will more than offset the 17-percent FCA increase in October 2008, the utility said. Overall, the decrease for the fourth quarter of the 2009 fiscal year will be a 4.1-percent reduction on total average wholesale rates, which is a reduction of approximately 35 percent from the current quarter's FCA, bringing it to the lowest level in more than a year.

Because the FCA is a per kilowatt-hour charge, amounts that consumers save will depend on how much energy they use. Savings will vary across the Tennessee Valley, but residential consumers can expect a decrease that ranges from about \$2 to \$5 in their monthly power bills. Retail billing periods for TVA power distributors also vary, so some July bills will include June usage at the lower rate.

For the fourth quarter of FY2009, which begins July 1, the FCA will be approximately 0.5 cents per kilowatt-hour, down from the current 0.8 cents per kilowatt-hour and last October's 1.8 cents per kilowatt-hour.

This decrease is coming at the best time possible for the valley's electrical customers, just as the hottest months arrive.