



**Blue Ridge Mountain EMC
Announces TVA Wholesale Rate Increase**

October 1, 2018

Blue Ridge Mountain EMC (BRMEMC) announces that effective October 1, 2018, TVA will be increasing its wholesale rate across all Residential and General Power (GSA) rate classes resulting in an average increase of 1.53% in each residential Member’s bill and an average increase of 1.64% in each GSA1 (Smallest Commercial) Member’s bill, depending upon usage. Impacts to GSA 2 and GSA 3 consumers will vary depending upon demand and energy load characteristics. BRMEMC’s Board has determined that we must pass this TVA increase through to our Members, as the EMC does not have sufficient resources to absorb yet another annual increase from TVA. It has been five years since BRMEMC last implemented a retail rate increase for its own benefit.

This is the fourth consecutive year that TVA has implemented a wholesale rate increase to its customers, each year at somewhat similar levels. This year’s increase is just a bit different as TVA not only increased its wholesale cost to BRMEMC, but also significantly changed the way it calculates rates associated with wholesale power purchases. TVA has once again said that it requires the additional revenues to buy down long-term debt, and improve its overall financial condition. At the same time, TVA notified all of its Local Power Company Customers that they should also expect similar increases for at least one (1) additional year.

BRMEMC has elected to add this year’s increase to the fixed-cost portion of residential and GSA1 Members’ electric bills. What this means is that the residential Customer Charge will increase from \$19.53 per month to \$21.37 per month, while the GSA1 Customer Charge will increase from \$20.86 per month to \$22.39 per month. In addition to this increase, the change in TVA’s billing methodology will also result in reallocation of specific charges within BRMEMC’s rates, possibly resulting in some Member confusion.

BRMEMC General Manager, Jeremy Nelms, commented that, “TVA’s continued annual wholesale power cost increases have created challenges for our Members, as roughly 63% of each BRMEMC Member’s monthly electric bill is used to pay for wholesale power. BRMEMC works hard to keep distribution costs low, ranking in the lowest quartile among all Cooperatives in the US, but we also have to purchase all of the power we supply our Members. As our costs increase, we must pass these costs through to our Members. It is not something that we like to do...it is something we must do to remain fiscally stable.”

BRMEMC will continue to advocate with TVA the need to limit additional annual rate increases, and we will continue to monitor these rate changes closely on behalf of our Members. Please contact the BRMEMC office at (800) 292-6456 with any questions or concerns.

Following are examples of how the TVA increase will affect our residential members, beginning with the October 2018 bill:

<i>RESIDENTIAL</i>		
Monthly kwh Usage	Fixed Cost Increase Due to TVA Wholesale Increase	Combined Rate Increase Effect
500	\$1.84	2.46%
890	\$1.84	1.54%
2,000	\$1.84	0.72%
<i>GENERAL POWER 1 (SMALL COMMERCIAL)</i>		
Monthly GSA1 kwh Usage	Fixed Cost Increase Due to TVA Wholesale Increase	Combined Rate Increase Effect
500	\$1.53	2.03%
685	\$1.53	1.65%