

# FPU avoids further rate hike locally, passes along 20-percent TVA rate increase to customers effective Oct. 1

In spite of higher operational and maintenance costs, the Fayetteville Public Utilities board of directors announced that FPU would not raise the rates on the local operations side of the electric rate at this time. This comes as good news to Fayetteville and Lincoln County residents after learning of TVA's 17-percent fuel cost adjustment and 3-percent wholesale rate increase that will be passed through this month to all TVA power distributors and their ratepayers.

The 20-percent total rate increase for the quarterly TVA fuel cost adjustment and TVA rate increase goes into effect Oct. 1. At that time, no other FPU rate increase will be added.

We have received several calls from our customers who are concerned about the TVA rate hike. No doubt, the latest rate increase on your electric bills will cause all of us to refigure our monthly budgets and expenses.

For the average residential electric bill that shows 1,330 kilowatt-hours and totals \$129, customers could see an average monthly increase of around \$19. Depending on the amount of your monthly bill and your total electric use for the month, your bill amounts will vary accordingly.

In light of the TVA rate increase, we feel it's our responsibility to do all that we can to care for our customers here in Fayetteville and Lincoln County. Although we've always operated on a lean budget, we've made additional budget cuts to position FPU to be able to avoid a rate increase on a local basis unless we experience drastic changes in the cost of providing service as it relates to TVA and our own operating costs.

We have cut our transportation expense, our general office purchases and more to tighten FPU's overall budget, and by doing so, we've made each employee even more responsible for how

we conduct business, realizing that it's our ratepayers to whom we answer.

We continue to see the costs of our construction materials increase along with those of our water, wastewater, electric, natural gas and telecom services as we deal with routine maintenance to ensure system reliability and also to expand services to new home and commercial construction areas. These are the increasing costs for which we plan, at least for now, to sustain internally without raising rates.

We have made many internal cuts in our operations budget for the current fiscal year.

In January 2005, FPU saw our cost of materials begin to

climb. By August 2008, FPU has seen the cost of the standard 15-kilovolt-ampere transformer increase by 88 percent. Other common materials used in constructing electric services include the 40-foot wooden poles that have increased in price by 36 percent, underground service wire, which has increased by 40 percent, and overhead wire that has increased by 54 percent. Aluminum wire has increased by 53 percent since 2005, and the cost of copper wire has increased by a drastic 142 percent.

Since 2005, TVA's wholesale rate adjustments to distributors have also increased by some 22 percent, including announcement of the Oct. 1 adjustment. As of today, FPU's local rates have increased by only 5 percent since 2005.

In October 2005, TVA increased rates by 7.52 percent; FPU passed along the wholesale increase but did not raise its local rate. In April 2006, TVA raised rates again by 9.95 percent; FPU took no action again with its local rate. In October 2006, TVA decreased rates by 4.5 percent. Rather than pass along the entire amount of the rate reduction, FPU elected to retain most of the decrease to recover growing



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**Office Hours:**  
**Monday - Friday**  
**7 a.m. - 5 p.m.**

**Dispatch Hours**  
Seven days a week  
7:30 a.m.-10 p.m.

24-hour emergency response

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Access

**Call the FPU Customer Service**

**Department for details**

**at 931-433-1522.**

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operations and materials costs and pass along a 0.5-percent rate reduction to local customers.

This year, TVA increased its wholesale rate to distributors 7 percent in April. At that time, FPU raised its local electric retail rate by 2 percent to help recover costs. FPU's local increase was 1 percent below the allowable TVA guideline of 3 percent granted for distributors to recover costs of operation.

Rising costs of producing electricity are not just a concern for the Tennessee Valley. Fuel cost concerns are spreading globally when you read that European coal prices are up 92 percent since May of 2007. Coal delivered to Japan is up 120 percent over that same period.

We know that bills are going to be higher for everyone. And we realize that the October rate increase from TVA is going to be hard on a lot of folks. Please keep in mind that FPU offers ways to help you reduce your energy use, and, in return, you save money on your bills. We encourage you to take more control of how much energy you use at home and at work.

To help electric and natural gas consumers with their energy costs, FPU offers a budget billing plan to average your monthly

bills and help you plan more effectively for the payments. FPU also offers payment arrangements to those who qualify for assistance in paying their bills. The TVA do-it-yourself energy audit is available online at [www.fpu-tn.com](http://www.fpu-tn.com), or a paper version can be mailed to you. Visit FPU to pick up a mail-in coupon for the paper version of the audit or request an audit to be mailed to you.

We will work with our customers as we are able.

Keeping your electric rates low is part of FPU's mission statement. We will do all we can to be good stewards of your utility system and the rates you pay for good service, but we will not sacrifice the quality of service in order to save money. At this time, we feel that FPU can maintain our level of service for the electric system at the current rate you pay for that service. There will be no change in the local portion of your electric rate come Oct. 1, but if our operational costs continue to increase, FPU will be forced to do what's necessary to provide service to this community.

If you'd like more information about the payment plans and energy saving tips mentioned in this story, please call FPU at 433-1522.

## USDA Rural Development awards \$4.2 million to fund Fayetteville's wastewater rehab

Good news came in late August as the city of Fayetteville received the \$4.2 million needed to repair and upgrade Fayetteville Public Utilities' wastewater system and extend sewer services to additional homes and businesses. The areas benefiting from the U.S. Department of Agriculture Rural Development funds — Laten Bottom, Tanyard Basin and Huntsville Highway areas — have been the topic of conversation with FPU's wastewater maintenance department.

The ceremonial check presentation was made with State Rep. George Fraley, FPU Chief Executive Officer Britt Dye, Fayetteville Mayor Gwen Shelton, Rural Development Area Director Faye Rodgers, FPU Water and Sewer Department Manager Jack Atchley, Glen Myers, representing U.S. Rep. Lincoln Davis, and State Rep. Curt Cobb present for the awarding of the funds.

"Reliable, safe wastewater treatment is essential for good public health and the economic health of every community, rural or urban," says Rodgers. "Thanks to the strong support of our congressional delegation, Rural Development has the financial resources to partner with Mayor Shelton, the city aldermen and the utilities board to make this needed investment in a prosperous future for the people of Fayetteville."

In addition to the Rural Development loan of \$3.5 million and grant of \$705,000, funding for this project also includes a \$450,000 Community Development Block Grant for a total federal investment to improve Fayetteville/Lincoln County's wastewater treatment system in the amount of \$4.655 million.



**From left are State Rep. George Fraley, FPU CEO Britt Dye, Mayor Gwen Shelton, Rural Development's Faye Rodgers, FPU's Jack Atchley, Glen Myers, representing U.S. Rep. Lincoln Davis, and State Rep. Curt Cobb.**

Funding will be used to make needed repairs and upgrades to parts of the city's aging wastewater treatment system. The improvements will increase the system's capacity to meet the growing needs of the families, businesses and industry. A portion of the money will also be used to extended sewer services to parts of the city area that currently rely on individual septic systems.

"We have an aggressive plan to continue our wastewater rehab projects in order to improve service to the residents of Fayetteville," says Dye. "We are very pleased to receive this funding through the Rural Development office, for this is a tremendous financial relief to our customers and to our utility alike."

## FPU is StormReady supporter for Lincoln County

Fayetteville Public Utilities recently celebrated becoming one of the first organizations in Lincoln County and second in the state to be designated a StormReady Supporter through the National Weather Service (NWS) with an official chamber of commerce ribbon-cutting. After completing the necessary steps to achieve StormReady recognition, FPU was awarded its official designation from the NWS and received a sign to be placed outside the FPU building to announce its storm preparedness.

“More than 60 FPU employees completed the training through the National Weather Service,” says Britt Dye, FPU CEO/general manager. “This includes all outside crews in each department and those employees who often work outside, depending on the nature of their day’s work.”

StormReady Supporters are local entities that promote the principles and guidelines of the StormReady program into their severe weather safety and awareness plans. This is a volunteer program as there is no cost to the community for participation.

Businesses, schools and other nongovernmental entities often establish severe weather safety plans and actively take part and promote severe weather safety awareness activities. An entity that promotes the principles and guidelines of the StormReady program may be eligible to become a StormReady “Supporter.”

“FPU is the seventh organization within the NWS Huntsville county and warning forecast area to be designated a Storm-Ready Supporter and meet the criteria by more than twice the requirements of the program,” says Tim Troutman, warning coordination meteorologist with the Weather Forecast Office in Huntsville, Ala.

To become eligible as a Storm-Ready Supporter, an organization must have at least two ways to receive severe weather warnings and two ways to disseminate severe weather warnings to its employees, participate in a storm spotter and weather safety training program,

have National Oceanic and Atmospheric Administration weather radio receivers at their business location(s) and visit the NWS.

Examples of potential StormReady Supporters might include, but are not limited to, businesses, hospitals, shopping centers and malls, schools and nuclear power plants.

Each year, Americans cope with an average of 10,000 thunderstorms, 5,000 floods, 1,000 tornadoes and two landfalling deadly hurricanes. And this is on top of winter storms, intense summer heat, high winds and other potential deadly weather conditions.

“On any given day, the different crews at FPU blanket the county as they connect new services, read meters and maintain our system,” Dye says. “It’s an assurance to FPU and other co-workers to know that

these employees are trained to spot approaching storms, recognize cloud formations and relay important weather information to fellow crew members, to our office headquarters and along to the local Emergency Management Agency to help warn and protect our community.”

StormReady communities are better prepared to save lives from the onslaught of severe weather through better planning, education and awareness. No community is storm-proof, but StormReady can help communities save lives.

“The StormReady program is a valuable learning experience for our employees and for our utility system,” adds Dye. “For us, it works well in conjunction with the NIMS (National Incident Management System) training all our employees received earlier this year to prepare us for natural disasters and emergencies and helps maintain public safety.”



**At left are Britt Dye, FPU’s CEO/general manager, Mike Coyne, meteorologist in charge, and Tim Troutman, warning coordination meteorologist, both with the Weather Forecast Office in Huntsville, Ala. Below are those on hand for the FPU ribbon-cutting, including FPU’s employees and board directors, city and county mayors, state legislators and chamber members.**



# Energy-efficiency programs extended by TVA

**W**ith the rising cost of energy, Fayetteville Public Utilities and the Tennessee Valley Authority are working together to help customers get more from their energy dollars by extending the offerings of the do-it-yourself home energy audit and the 6-percent financing on advanced heat pumps.

The home energy audit is a free service of TVA to all power distributors, including FPU, in the Tennessee Valley. The audit and free conservation starter kit you receive upon completion of the audit have been extended through September 2009.

To take advantage of the home energy audit, simply complete it online by visiting [www.fpu-tn.com](http://www.fpu-tn.com), and TVA will send you an energy conservation kit filled with items to help you save energy and reduce your electric bill. You'll also receive a free report to help you understand where your home is wasting energy — and how you can fix those expensive leaks.

The energy conservation kit includes two compact fluorescent light bulbs, outlet and light switch gaskets, a filter whistle, two faucet aerators, a hot water temperature gauge, home thermometer and "How to Save" brochure.

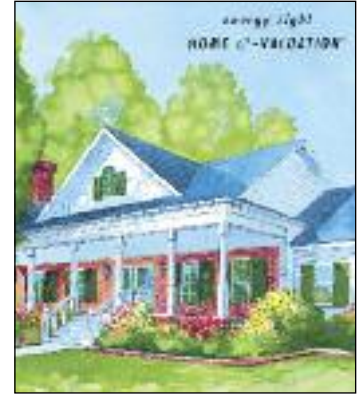
Complete the audit and you will receive your kit in approximately four to six weeks. Limit one kit per household.

To further promote energy efficiency and help you better afford a quality heating and cooling system for your home, TVA has also extended the 6-percent interest available on electric heat pumps rated at 14 SEER or greater to ensure efficiency of the central heating and cooling system.

Better yet, when you apply for FPU's heat pump financing program, you have access to the Quality Contractor Network, which puts you in touch with those heating and cooling contractors in our area who work under the highest standards for installation and efficiency.

The 6-percent financing on these high-efficiency heat pumps has been extended through Dec. 31, 2008.

For more information on either the home energy audit or the heat pump financing program, please call FPU's customer service department at 931-433-1522.



## Save ENERGY and MONEY with compact fluorescent lighting

**I**f every American home replaced just one incandescent light bulb with an Energy Star-qualified compact fluorescent bulb, we would save enough energy to light more than 3 million homes for a year, save more than \$600 million in annual energy costs and prevent greenhouse gases equivalent to the emissions of more than 800,000 cars annually.\*

Affordable compact fluorescent light bulbs are still available at Fayetteville Public Utilities for your convenience and energy savings! In the face of rising energy costs, CFL lighting seems to be a common-sense approach to helping you save energy dollars.

In most cases, CFL lighting can save up to 75 percent on your overall lighting cost each month. Plus the Earth Brite CFL bulbs you get from FPU are Energy Star-approved.

FPU is taking a step forward to assist our customers in making the right choices for energy savings and conservation. Working with our friends at The Exchange in a joint effort to encourage energy efficiency, we are bringing you

quality and affordable CFL household lighting.

Compact fluorescent bulbs fit most lamps and fixtures so you can easily replace conventional bulbs with the more energy-efficient ones. Even though compact fluorescents cost more initially, you'll find that these bulbs last longer and save you money on replacement costs as well as energy use.

Visit FPU for great bargains on the 13-, 20- and 23-watt compact fluorescent bulbs. You can easily replace most common household incandescent light bulbs with compact fluorescents and begin saving energy immediately.

Begin today using energy more wisely. The benefits will not only lessen the impact on our environment but also on your wallet!

For more information about FPU's compact fluorescent light bulbs or other ways you can save energy, please call 931-433-1522 or visit [www.energyright.com](http://www.energyright.com).



\*Information gathered from the Energy Star Web site.

# FPU welcomes new board member

Fayetteville Public Utilities is proud to introduce our newest board member, Paul Richardson, who joined the FPU board of directors in August as appointed by the Fayetteville Board of Mayor and Aldermen.

Paul works at J. Paul Richardson & Sons Realty and Insurance. He grew up in Lincoln County, graduating from Lincoln County High School in 1993. After attending the University of Tennessee, Knoxville, he received a degree in animal science and economics.

He and his wife, Jana, have been married for seven years. They have one daughter, Allie, 3. Paul is a member of the First Baptist Church in Fayetteville. He is also a member of the Fayetteville Rotary Club.



**Paul Richardson**

## HELP WARM A HOME WITH PROJECT HELP

This winter, you can help warm the homes of those in need by donating \$1 or more each month to the FPU Project Help fund. It's only \$12 a year, but it really goes a long way when we work together to help those in need.

Project Help donations are applied to the heating bills of our community's elderly and disabled when they can't afford the full amount of their heating cost alone. The funds are paid directly to the fuel suppliers of electricity, propane, natural gas, wood, heating oil, kerosene and more. Applicants must qualify for Project Help funds in order to receive

financial assistance through the program. Interested applicants must apply for Project Help assistance at the Lincoln County Good Samaritan Association.

To help others in need by donating to Project Help, simply complete the Project Help donation form below and mail to FPU at P.O. Box 120, Fayetteville, TN, 37334, or drop it off at any FPU office. You will be charged each month on your utility bill for the amount you wish to donate.

If you'd like more information about Project Help, please call Gina Warren at FPU at 433-1522, Ext. 166.

### Project Help donation form

**I authorize Fayetteville Public Utilities to add the amount indicated below to my monthly FPU utility bill and contribute the funds to the Project Help program to help someone stay warm during the winter months.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

FPU Electric customer ID number: \_\_\_\_\_

Phone number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please check the amount you wish to donate to Project Help each month.	_____ \$1
	_____ \$2
	_____ \$3
	_____ \$4
	_____ \$5
	Other \$ _____