

TVA has announced that beginning October 1, 2009 it is changing its Fuel Cost Adjustment (FCA) mechanism on a monthly basis instead of on a quarterly basis, as has been the case since it was instituted almost three years ago. Due to the fact that the timing of the release of the monthly FCA by TVA will not match the publication deadlines of *The Tennessee Magazine*, and in an effort to keep Duck River Electric members informed as timely as possible, DREMC will post the most recent FCA on its website: www.dremc.com, along with a table to indicate whether the FCA has increased or decreased from the previous month and the prior 12-month period.

TVA incorporated the FCA as a part of its wholesale rate calculation in January, 2007 to more directly reflect its actual cost of fuel (primarily coal and natural gas) to power its generating plants and the cost of power purchased from other sources to meet current demand.

Tom Kilgore, TVA President and CEO, indicated that the monthly FCA adjustment should result in more frequent and more accurate forecasting of fuel and purchased power costs, as well as less dramatic swings in the FCA amounts. The FCA amounts shown do not reflect any base rate adjustment TVA may have implemented at the same time as the FCA adjustment. The FCA appears as a separate line item on DREMC member bills each month.

TVA Monthly Fuel Cost Adjustment
For Residential Consumers
[with change from previous month(s)]

July 2010	- (.00430 cents/kWh)(+)3%
June 2010	- (.00211 cents/kWh)(+)5%
May 2010	- (-.00140 cents/kWh)(+)1%
April 2010	- (-.00206 cents/kWh)(+)6%
March 2010	- (-.00589 cents/kWh)(+)5%
February 2010	- (-.00919 cents/kWh)(-)1%
January 2010	- (-.00853 cents/kWh)(-)2%
December 2009	- (-.00707 cents/kWh)(-)6%
November 2009	- (-.00330 cents/kWh)(-)2%
October 2009	- (-.00224 cents/kWh) (-)11%
July 2009	- (+.00561 cents/kWh) (-)4%
April 2009	- (+.00864 cents/kWh) (-) 7%
January 2009	- (.01418 cents/kWh) (-)6%
October 2008	- (.01927 cents/kWh) (+)17%