

## LPC Messaging on High Power Bills

### What Goes Into Your Power Bill

- Each month, you may wonder, “Why does my power bill change so much?”
- Your power bill is made up of three parts:
  - Base rate (per kilowatt-hour) – This typically stays the same each month but may change by season.
  - Fuel costs (per kilowatt-hour) – This amount changes based on the cost of the fuel needed to produce the electricity you use – it can go up or go down each month
  - The amount of power you use – This is always the most significant change month-to-month and is usually connected to temperature. If it’s very hot or very cold outside, you tend to use more power to keep your family safe and comfortable. Your AC unit has to work harder the hotter and more humid it is outside. So, if you set your thermostat to 75 degrees in May and leave it, your AC unit will work harder, longer, in June, July, and August to keep your house at 75 degrees.
- TVA and LES set the base rate for your power, which includes the cost for TVA to generate and deliver the power to LES and for LES to deliver power to each customer. TVA passes along the fuel cost based on the actual amount they spend to generate electricity each month and each customer controls how much power they use each month.
- Summer and winter power bills are typically much higher than those in the spring or fall.
  - Hot and cold weather typically result in increased power usage.
  - Because more power is needed, it sometimes drives up the cost of fuel to produce it.
- TVA makes both long-term and short-term generating decisions based on a goal of keeping electric costs as low as feasible for customers.

### How Does Fuel Cost Impact Your Bill

- Electricity is made many ways, and each way has costs that can change:
  - Coal and gas plants have fuel costs that can change fairly rapidly, but they are able to generate power 24 hours a day, seven days a week in any kind of weather.
  - Renewable energy (hydroelectric, solar, wind) has no fuel cost, but it is only available some of the time (the sun isn’t always shining, wind doesn’t always blow and less rain impacts the availability of hydroelectric generation).
  - Nuclear power has fuel costs that remain very stable, and are designed to operate 24/7.
- LES gets power from TVA, which has plants that produce power from all of these different sources.
- Like everyone, TVA is impacted by rising costs in this challenging economy.
- We know that affordability is important, but so is a reliable and resilient power system that can deliver the energy you need on the hottest or coldest days, day or night.
- Public power works hard to balance ensuring your power bill is low with power that is reliable.
- Take advantage of an [EnergyRight Solutions home energy evaluation and assessment](#), which will provide you a list of energy-saving tips you can implement to reduce your power bill. Visit: <https://www.tva.com/energy/our-power-system/total-monthly-fuel-costs>

### **How To Save Money on Your Power Bill**

- When the temperature outside is hot or cold, there is always a concern about the impact on your next power bill.
- The amount of power you use each month is a major factor in the size of your bill.
- There are some easy ways you can reduce your energy usage without making drastic changes to your comfort or lifestyle.
  - In the summer...
    - Turn your thermostat up just one or two degrees and use fans to circulate air.
    - Close window coverings on the sunny side of your home or office.
    - If possible, avoid using ovens, dishwashers, clothes dryers and other appliances that generate heat in your home until later in the evening or early in the morning.
  - In the winter...
    - Turn your thermostat down just one or two degrees
    - Warm air in your home rises, so reverse the direction of your ceiling fans to move air from your ceiling down toward the floor.
    - During sunny days, open window coverings on the sunny side of the house to get free heat from the sun, but be sure to close them at night or on cloudy days to keep your heat inside.
- For longer term energy savings...
  - Consider installing a “smart” thermostat than can automatically change the temperature throughout the day, saving power when you are away.
  - Seal up your home to keep cold or warm air inside: caulking around windows and doors, sealing air leaks around switches and outlets and, where possible, increasing the insulation (the “R-value”) in your walls, doors and windows.
  - As you replace appliances, look for “EnergyStar” rating to ensure you are purchasing more energy efficient devices.
  - {IF AVAILABLE} Take advantage of an EnergyRight Solutions home energy audit, which will provide you a list of energy-saving tips you can implement to reduce your power bill.

### **How to Get Help with Your Power Bill**

- At LES, we know that high energy bills – especially in the summer and winter – can take a big bite out of some customers’ budget.
- If you are having trouble paying your power bill, it’s important that you talk to us before it becomes a problem.
- We have a number of ways we can help:
  - Arrangements before disconnect
  - Neighbors Helping Neighbors when funds are available
  - Budget billing
  - Local energy assistance programs
  - [Federal energy assistance programs](#) (LIHEAP)
- Let’s work together to ensure that you and your family remain safe and comfortable.