

# Supplemental Residential Rate: FAQ

## What is the Supplemental Residential (SRS) Rate?

The SRS rate is a newly approved rate which allows you to save money if you have an additional meter at the same location as your home, and that additional meter is used for residential purposes. A residential purpose is one where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of the home.

## How can I apply for the SRS rate?

To apply for the SRS rate, you simply need to sign and return an SRS application form. The form can be obtained by contacting CEMC at 1-800-987-2362 or coming by your local CEMC office.

## What is the per Kilowatt hour (kWh) rate for SRS?

The per kWh rate on SRS accounts tracks the seasonal Residential energy rate with one minor distinction. TVA provides a hydro credit for energy consumed by a single-family dwelling. Since the SRS meter is not for the single-family dwelling itself, the SRS energy rate is not eligible for the hydro credit. As such the SRS per kWh rate is slightly higher than the Residential rate, but still significantly lower than the General Service rate.

## What types of services are eligible for the SRS rate?

Some common types of services that qualify for the SRS are:

- Detached Garage
- Personal Shop
- Electric Gate
- Pool House/Pool Pump
- Storage/Tool Shed
- Well Pump

## What types of services are not eligible for the SRS rate?

Some common types of services that do not qualify for the SRS rate are:

- Temporary Service
- Services on a separate property from single-family dwelling
- Commercial business
- Church
- Barn

The above list is not comprehensive, but it is meant to highlight some common types of services that do not qualify for the SRS rate.

## **Why does my barn not qualify for the SRS rate?**

TVA laid out guidelines for adopting the SRS rate, and one required provision is that the structure must be used for domestic purposes such as lighting, household appliances and the comfort and convenience of those residing in the residential dwelling. Barns (along with grain bins, tobacco stripping rooms, and other farm use services) fall into the agricultural category and cannot be considered for residential use.

## **Does my shop across the road from my house qualify?**

A personal shop will qualify for the SRS rate so long as it is on the same parcel of property as the Residential dwelling. If the shop and house are on the property (even if separated by a road) it would qualify. If, however, the shop is on another parcel of property it would not be eligible for the SRS rate.

## **I have a garage on a piece of property but no house. Why is it commercial?**

A garage or storage building on a piece of property without a house is classified as General Service. The General Service rate does include small commercial accounts, but it is not limited to businesses. With the passage of the SRS rate, TVA has carved out a small exception for certain applications such as personal garages, shops, etc. that are on the same property as your home. In order to comply with TVA's requirements for the SRS rate, applications on a separate property from your home must remain in the General Service rate.

## **Will I be charged State tax on the SRS rate?**

SRS accounts will be charged State tax. The current tax code language allows for a residential tax exemption only when the purchase of electricity is for the use of a single family dwelling. Electricity consumed by supplemental residential properties does not qualify for tax exemption under the existing language.

## **Will there be a refund for bills paid before the SRS rate was established?**

Prior to April 1, 2013 CEMC did not have the option to save members money by implementing the SRS rate. It was not until after TVA approval that CEMC could implement the SRS rate. As such, the SRS is an opportunity for savings going forward and bills paid prior to April 1, 2013 were correctly billed under the existing structure in place at that time.