



# Your utility bill reflects changes

Recently, Big Rivers Electric Corporation (which is owned by three non-profit cooperatives, including Kenergy) resumed control of its power generation plants that had been leased for several years by a subsidiary of E.ON U.S. In order to “unwind” the lease early, E.ON made a large payment to Big Rivers, leaving our power supplier in a much stronger financial position and with greater control over its facilities and its future.

Beginning this month, you will see some new charges on your bill, but you will also see new credits designed to offset the charges. The result is that the total of your bill will be the same as it would have been without the changes.

### **Q. What are the new charges and credits?**

**A.** There are two new charges listed: the Fuel Adjustment Clause and the Environmental Surcharge. The Fuel Adjustment Clause passes along the cost of fuel (mainly coal) used to generate electricity. The Environmental Surcharge covers the cost of complying with the Federal Clean Air Act and other federal, state, and local environmental laws and regulations. (See reverse side.)

Four new credits (adjustments) offset the aforementioned charges, resulting in a zero change in customer bills. The credits are the Unwind Surcredit, the Rebate Adjustment, the Member Rate Stability Mechanism, and the Rural Economic Reserve. These credits are the result of a new operational model for our power supplier, Big Rivers Electric Corporation, approved by the Kentucky Public Service

Commission. See reverse side for more detailed information about each of the credits.

### **Q. How does the “unwind” arrangement affect Kenergy?**

**A.** First and most importantly, Kenergy was able to avoid a significant rate increase this summer (approximately 15%) because of this new model. And, the various credits listed on your bill that resulted from the arrangement will keep electricity rates for Kenergy members as low as possible.

### **Q. Is this a good thing for Kenergy in the long term?**

**A.** Returning control and decision-making about electricity generation and transmission to those who live and work in western Kentucky is a positive step. The cooperatives will have added flexibility for servicing members and creating electric infrastructure improvements critical to the economic development efforts of the region.

### **Q. How do the aluminum smelters figure into the new model?**

**A.** The smelters, which employ some 1,400 people directly and have a significant economic impact on all of western Kentucky, now have long-term power contracts with Kenergy that will help them remain competitive in their industry. The smelters also are paying into a fund that helps to keep electricity rates low for you and all Kenergy members.

## New director appointed

Brent W. Wigginton, city manager of Lewisport, recently was appointed to the Kenergy Board of Directors to represent District 9-Hancock County.

He replaces Jim Grant, who retired from Domtar Paper Company (formerly Weyerhaeuser) in 2008 and now resides out of state. Grant had served as chairman during his tenure on the board.



Wigginton, who has been employed by the City of Lewisport since 2001 and became city manager in 2006, served on Kenergy's Commercial and Industrial Resource Committee. He and his wife, Renee, also served on the cooperative's Member Resource Committee.

The Wiggintons have two daughters and reside on Park Road in Hancock County.

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6402 Old Corydon Rd. - P.O. Box 18  
Henderson, Kentucky 42419-0018

**IMPORTANT INFORMATION**

	DATE DUE	AMOUNT DUE
	10/13/09	147.80
	10/17/09	154.98

**ACCOUNT INFORMATION**

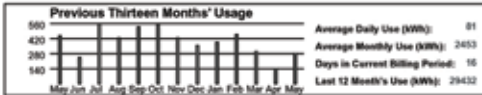
Account Number: 8-402-67-001-02-9  
 Customer Name: JOHN SMITH  
 P.O. Box 01  
 Henderson, KY 42419-0001

Daytime Phone: 270/668-1234  
 Evening Phone:  
 Email Address:

**ACCOUNT SUMMARY**

Previous Balance	85.08
Payment - Thank You 09-04-09	85.08 CR
Electric	143.50
Taxes & Fees	4.30
<b>Amount Due</b>	<b>147.80</b>

Customer Service: 1-270-826-3991 or 1-270-926-4141, 24-Hours a day, 7 days a week  
 Visit our web site: [www.kenergycorp.com](http://www.kenergycorp.com)



**METER INFORMATION**

METER NUMBER	DATE
73941477	09/09
CURRENT READING	39926
PREVIOUS READING	37909
MULT	1
KWH USAGE	2,019

**SUMMARY CURRENT CHARGES**

SERVICE	CHARGES
Balance After Payment	0.00
<b>ELECTRIC</b>	
Rate Type: RESIDENTIAL	
Customer Charge	10.50
KWH 2,019 (KWH) X .0623270	125.94
Light Charge 70(KWH) 1-7000 Lumen-175W Mercury Vapor Yard Light	7.16
Power Supply Adjustment Factors:	
Fuel Adjustment 2089 (KWH) X .006188000=\$	12.92
Environmental Surcharge 2089 (KWH) X .000514000=\$	1.07
Unwind Surcredit Adjustment 2089 (KWH) X -.004194000=\$	8.76 CR
Rebate Adjustment 2089 (KWH) X -.000262000=\$	0.55 CR
Member Rate Stability Mechanism 2089 (KWH) X -.002244000=\$	4.68 CR
Rural Econ. Reserve Adjustment 2089 (KWH) X .000000000=\$	0.00
<b>Subtotal</b>	<b>0.00</b>
<b>TAXES &amp; FEES</b>	<b>4.30</b>
Rate Increase for 3% School Tax	
<b>Total Electric Charges</b>	<b>143.50</b>
<b>Total Taxes &amp; Fees</b>	<b>4.30</b>

Please Return This Lower Portion When Paying



6402 Old Corydon Rd. - P.O. Box 18  
Henderson, Kentucky 42419-0018

If Your Account Information Is Incorrect  
Please Check Here And Complete The Reverse Side

000000019  
 700044006  
 JOHN SMITH  
 PO BOX 01  
 HENDERSON, KY 42419-0001

I am voluntarily donating \$\_\_\_\_\_ to my payment for Winter Care.

Meter Number	Account Number
64533608	8-402-67-001-02-9
Previous Balance	0.00
Payment Date: 10/13/09	Amount Due: 147.80
Delinquent After: 10/17/09	Amount Due: 154.98
Current Meter Reading:	
Date Read:	/ /

123456789015 000012143 000010632 0036944 0040944

KENERGY CORP  
 P.O. Box 18  
 Henderson, KY 42419-0018

**Dear Kenergy Member,**

Your electric bill looks a little different this month and Kenergy would like to explain the changes that you'll see. **What's most important, however, is what has not changed: the historically low rate that you pay for electricity.** A new operational model approved by the Kentucky Public Service Commission for our power supplier, Big Rivers Electric Corporation, allowed us to avoid a significant rate increase this summer (approximately 15%).

Beginning this month, you'll see some charges on your bill that you haven't seen before, but you'll also find credits that are designed to offset the charges. The result is that the total of your bill **will be the same** as it would have been without these changes.

Here are the new terms that you'll see listed on your bill:

**Fuel Adjustment Clause**

The Fuel Adjustment Clause passes along the cost of fuel (mainly coal) used to generate electricity.

**Environmental Surcharge**

This charge covers the cost of complying with the Federal Clean Air Act and other federal, state, and local environmental laws and regulations.

**Unwind Surcredit**

The new operational model for Big Rivers is the result of the "unwind" of a number of prior agreements. Part of the new arrangement is that two large industrial customers, in return for getting long-term power contracts, are paying a surcharge that is passed along to Kenergy to help offset the charges listed above. This line shows the amount of this payment that has been credited to your bill.

**Rebate Adjustment**

In any year that Big Rivers' earnings exceed a pre-determined level, it may seek approval to rebate those excess earnings to Kenergy and the two other distribution cooperatives who share ownership of Big Rivers. The rebate then is shared among you, the members.

**Member Rate Stability Mechanism**

Another part of the Unwind agreement created a pool of money (known as a reserve account) to be used to offset the charges listed above after taking into account the Unwind Surcredit and the Rebate Adjustment.

**Rural Economic Reserve**

At such time as the money in the Member Rate Stability Mechanism is exhausted, a final reserve account has been set aside to continue keeping rates as low as possible.

At Kenergy, we remain committed to providing you with safe, reliable power at rates that are among the lowest in the country. Big Rivers' new operational model gives us far more control over our power generation needs while building in safeguards to keep electric rates as low as possible. If you would like more information about the Unwind, please visit [www.kenergycorp.com](http://www.kenergycorp.com)



**It's Free! High-Performance Homes Seminar**

7 p.m. - Thursday, October 22 - Kenergy Operations Building in Owensboro  
 Presented By: The Energy Pros

