

# What are the charges on your Kenergy bill?

## Bill line-item explanations

- **Customer charge** — This is a fixed charge of about 60 cents per day that covers the cost of supplying service to members' homes. This covers costs that do not vary with changes in kilowatt-hour usage. The charge can vary depending on the number of days included on the bill in 2017. In January 2018, this amount will be fixed at \$18.20 and can only be changed through a rate filing.
- **Kilowatt-hour charge** — The current rate of 10.2038 cents per kilowatt hour covers the base cost to produce and distribute each kilowatt hour consumed by members.
- **Private outdoor lighting** — This is a daily fixed charge that covers the cost of the light and the kilowatt hours the light consumes. The amount of the charge depends on the type of light. The light is not behind the member's meter, so the light's kilowatt hours must be added to the metered kilowatt hours to arrive at the total kilowatt hours consumed. The amount of kilowatt hours is defined in Kenergy's tariff, which is available online and in every Kenergy office.

## Power-supply adjustments

**(The following charges include power production costs incurred by Big Rivers, which is Kenergy's wholesale energy supplier. The charges are passed through to members on their Kenergy bill, based on how many kilowatt hours they use.)**

- **Fuel Adjustment Clause (FAC)** — This charge, which is not calculated in Kenergy's base rate of 10.2038 cents per kilowatt hour, includes the cost of fuel to produce electricity at Big Rivers' power plants. The fuel adjustment clause charge includes coal, natural gas, petroleum coke and start-up fuel. The more kilowatt hours a member uses, the more fuel must be burned to generate those kilowatt hours; therefore, the rate is multiplied by the number of kilowatts each member uses.
- **Environmental Surcharge** — This charge includes the cost of environmental compliance equipment at the power plant and the various chemicals used in that equipment. When members use more electricity, more chemicals are needed to comply with environmental laws; therefore, the rate is multiplied by the number of kilowatt hours each member uses.
- **Member Rate Stability Mechanism** — Big Rivers receives transmission revenue from Century Aluminum's Hawesville smelter each month. This money is then given to Kenergy members as a credit on their bills. Members will continue to receive this credit as long as Big Rivers receives transmission revenue from the Hawesville smelter.

- **Rural Economic Reserve-R** — A sum of money was set aside in 2009 to help offset the Fuel Adjustment Clause and the Environmental Surcharge. The fund has now been depleted and this credit will end soon.
- **Non FAC PPA Rider** — This charge includes the cost of power purchased by Big Rivers during times that power is purchased rather than generated at Big Rivers' plants. This may occur if a power plant suffers a forced outage or if a plant is down for maintenance. This charge also includes hydro power Big Rivers purchases from the Southeastern Power Administration. Because this rate includes variable costs directly related to kilowatt hours purchased, the rate is multiplied by the number of kilowatt hours each member uses.