



What's on your bill?

A simple guide to energy charges

When you open your monthly energy bill, you may notice several different charges.

While some of these charges can vary from month to month, each line represents one piece of the cost to generate and deliver reliable electricity to your home.

As a cooperative member of Kenergy, you are served by a local, not-for-profit utility committed to providing dependable and affordable power. Kenergy's not-for-profit generation partner, Big Rivers Electric Corporation, produces most of the electricity members need at power plants located in Western Kentucky.

The different line items on your bill are designed to keep costs fair and manageable over time. Instead of frequently adjusting base rates, riders help balance changing energy costs throughout the year and help smooth out seasonal or unexpected increases.

Breaking down your bill

Here's a closer look at the key Kenergy charges and credits:

- **Customer Charge:** This is the basic cost to provide electric service, covering infrastructure, such as poles and wires, as well as billing costs.

- **Kilowatt-Hour Charge:** This reflects the base charge for electricity you use each month.
- **Member Rate Stability Mechanism (MRSM):** This credit returns a portion of Big Rivers' margins to cooperative members—one of the benefits of being part of a member-owned utility, like Kenergy.

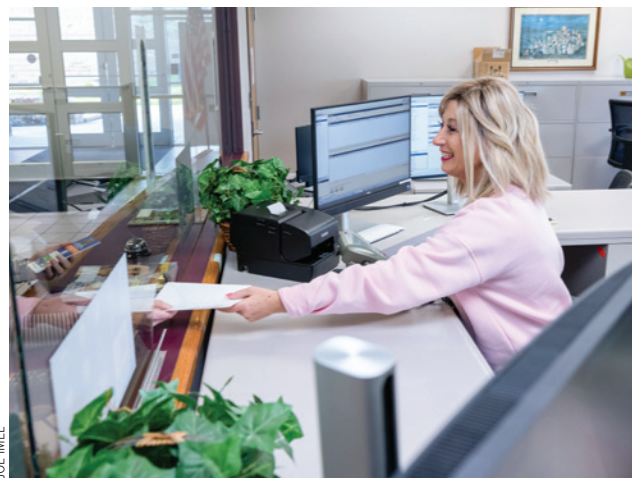
Three riders are tied directly to the cost of Big Rivers generating and delivering electricity:

- **Fuel Adjustment Clause (FAC)**
- **Non-Fuel Adjustment Clause Purchased Power Adjustment (Non-FAC PPA)**
- **Environmental Surcharge (ES)**

These riders cover the cost of fueling and maintaining the Big Rivers power plants, purchasing market energy when needed, and complying with environmental regulations. While "fuel" is part of the FAC and Non-FAC PPA names, the riders apply only to fuels used to generate electricity at power plants, such as coal or natural gas. They do not apply to gas for offices or trucks.

Why costs can change

For many years, fluctuations in the FAC and Non-FAC PPA riders were relatively



small. In some months, the Non-FAC PPA rider even acted as a bill credit. In recent years, however, energy markets have become more volatile. Fuel costs and electricity prices swing significantly, often influenced by the weather. Extreme temperatures, whether very hot or very cold, can drive up energy demand, increasing the cost of generating and purchasing electricity.

Early 2026 brought unusually severe conditions. When Winter Storm Fern arrived in late January, Western Kentucky experienced several inches of snow and more than a week of below-freezing temperatures. The storm also impacted much of the Midwest and South, covering large areas in heavy snow and ice.

As the winter storm lingered, electricity demand at homes and businesses rose quickly, straining the power grid.

Continued on page C



Line Technician Jesse Boling—5 Years



Line Technician Walter Denton—5 Years



Line Technician Zach Edelen—5 Years. Photos: Leslie Barr

Message from the President

Back to school

Class is always in session at Kenergy

When I was a kid, there was nothing better than summer break—warm weather, swimming, family cookouts and long, lazy days. But as much as I loved break, there was something exciting about going back to school, too. I looked forward to seeing friends and moving into a new grade—and as I grew older, I learned to enjoy the challenge of learning something new.

This month, Kentucky kids from kindergarten through high school will head back to the classroom. Others will enroll in college or technical training programs, and still others will pursue advanced degrees or certifications. Back-to-school month is an annual reminder that learning should never stop—and that it's good for all of us, at any age.

Kenergy supports education throughout our communities. We share information about how electricity works using hands-on demonstrations with Big Rivers Electric to reinforce safety principles. We provide an opportunity for delegates to learn more about the cooperative model through career days and the Washington Youth Tour. We're also proud to offer scholarships for our members continuing their education at a higher level.

We know that a learner's mindset can even save lives, especially when it comes to electricity. Our dedicated lineworkers constantly improve their skills as part of our safety culture. Continual learning helps ensure safe and reliable service for our members—and it also helps ensure that our hardworking crews come home safe. This commitment goes beyond the job, too, as we offer tips in *Kentucky Living* and on our social media channels to help you and your family stay safe.

Education is part of our mission at Kenergy, and we're honored to support many kinds of learning for all ages. Let's all learn something new this month.

By Tim Lindahl
President & CEO



Continued from page A

At the same time, frozen equipment caused some power plants to go offline, while others faced sharply higher fuel costs, particularly for natural gas, with the region experiencing some of the highest natural gas prices on record. Together, these factors created challenging conditions across the system. By the end of the week, energy costs totaled tens of millions of dollars above normal, with similar situations affecting many utilities across the Midwest.

Managing costs and supporting members

In response to events like these, Kentucky lawmakers moved to allow utilities to spread unusually high fuel costs over time, helping minimize sudden bill increases. Big Rivers and Kenergy also continually work to manage costs responsibly. Bill charges are regularly reviewed by the Kentucky Public Service Commission to ensure accuracy and fairness.

The FAC rider changes each month and lags by three months. For example, the FAC portion of January's winter storm was reflected on the bill you received in April 2026.

The Non-FAC PPA rider is adjusted once a year, which provides predictability. In November 2026, it will update to the new annual rate, approximately a \$0.02 per kWh increase. This spreads the remaining winter storm costs over the next 12 months.

The Non-FAC PPA and FAC riders are both based on your monthly energy use, which means you can help manage these variable costs. Using less electricity can lower each rider's impact on your bill. Improving your home's energy efficiency is a simple way to reduce overall energy use and save money year-round.

New line for fall energy bills

You may notice a new line on your electric bill this fall. Starting with bills you receive in late September or October, the current FAC rider will be shown as two separate line items: the FAC and the Interim Energy Adjustment.

This change is being made for transparency, at the direction of the Kentucky Public Service Commission. It will not increase or decrease your bill. The total amount collected remains the same—it will simply be displayed differently.

Take control of your energy costs

The FAC, IEA, Non-FAC PPA and Environmental Surcharge riders are all based on your monthly energy use, which means you can help manage these variable costs. Using less electricity can lower each rider's impact on your bill. Improving your home's energy efficiency is a simple way to reduce overall energy use and save money year-round.

The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member. Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

For more information about your bill, helpful energy-saving tips or available payment assistance programs, visit the Kenergy website.

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Henderson: 7:30 a.m. – 4:30 p.m.
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Owensboro: 7:30 a.m. – 4:30 p.m.
3111 Fairview Drive

Hanson: 9 a.m. – Noon, 1 p.m. – 4 p.m.
2620 Brown Badgett Loop

Hawesville: 9 a.m. – Noon, 1 p.m. – 4 p.m.
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NOTICE

Kenergy Corp. ("Kenergy") made a tariff filing to the Kentucky Public Service Commission ("Commission") on June 25, 2026, filing a new Interim Energy Adjustment (IEA) tariff, along with related changes to its various tariffs, and the tariff table of contents. Kenergy is providing this notice pursuant to 807 KAR 5:011 Section 8. The issue date of the new and revised tariffs is the date the tariff changes were filed, June 25, 2026, and the tariff changes have a proposed effective date of September 1, 2026.

In its final Orders in PSC Case Nos. 2024-00141 and 2024-00149, the Commission found that Big Rivers Electric Corporation ("Big Rivers") should include sales to Nucor Corporation in the calculation of the Fuel Adjustment Charge ("FAC"), which would have the effect of Big Rivers not recovering the fuel and purchased power costs it incurs for service to Nucor Corporation through the FAC. The Commission further found that "because reasonable costs to serve Nucor are eligible for possible recovery by BREC...BREC may recover these reasonable costs through the proposed 'Interim Energy Adjustment' tariff, which will appear as a separate line item on monthly bills." Big Rivers filed the new IEA tariff pursuant to the Commission's direction in those cases.

The proposed changes to the tariffs are simply to add a reference to the IEA tariff in those tariffs, including the sample invoices. As the IEA is a new tariff schedule, there are no present rates for service under this tariff. It will be a variable charge based on the Nucor-related fuel and purchased power costs not recovered from the FAC as a result of including Nucor sales in the calculation of the FAC. Because costs are simply being moved from the FAC to the new IEA, there should be no net effect from the proposed tariff changes.

A person may examine this tariff filing at Kenergy's headquarters located at 6402 Old Corydon Road, Henderson, KY, 42420 and district office located at 3111 Fairview Drive, Owensboro, KY, 42303, during normal business hours. Additional information may also be accessed via Kenergy's website at <https://www.kenergycorp.com>. A person may also examine this tariff filing at the Commission's offices located at 211 Sower Boulevard, Frankfort, KY, Monday through Friday, 8:00 a.m. to 4:30 p.m. (Eastern) or through the Commission's website at <http://psc.ky.gov>. Comments regarding this tariff filing may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY, 40602.

The rates contained in the new tariff are the rates proposed by Kenergy, but the Public Service Commission may order rates to be charged that differ from Kenergy's proposed tariff.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial mailing of this notice, the Commission may take final action on the tariff filing.

Tim Lindahl
President and CEO

All Kenergy offices will
be closed Monday,
September 7, in observance
of the Labor Day holiday.



We hope you enjoy a safe holiday weekend!