

## WHY IS MY BILL HIGHER THIS MONTH?

Electric bills around Kentucky and other parts of the US have been higher recently. There are several reasons this is the case. During winter months, members typically see higher electricity bills due to the energy needed to keep your home comfortable when outside temperatures drop. During the summer months, cooling units run longer and trying to cool your house thus producing high electric bills. Keeping your system checked out regularly is the best medicine which may prevent a problem in the future.

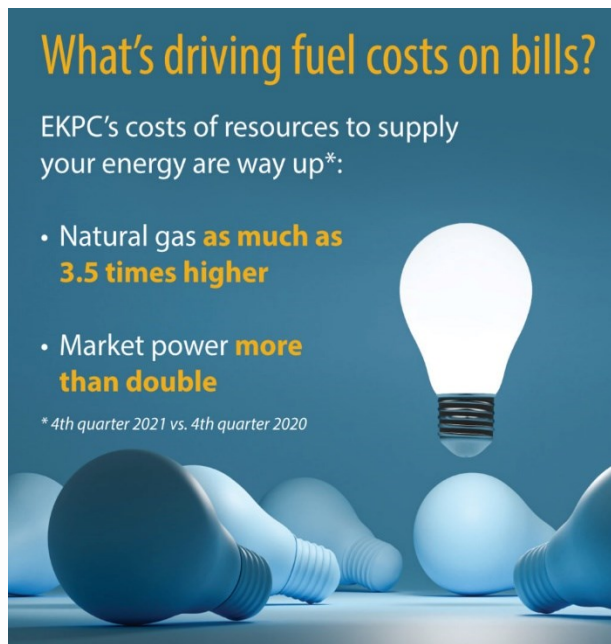
In addition to this normal increase in usage, there was a significant increase in the Fuel Adjustment Clause (FAC) and Environmental Surcharge (ES). These two charges are **not** controlled by Inter-County Energy and Inter-County does **not** receive the money from these charges. Both the FAC and ES are pass-through charges from our power provider, East Kentucky Power Cooperative.

The fuel adjustment clause (or FAC) recovers a portion of the cost of coal and natural gas that is needed to operate East Kentucky's power plants. When the cost of coal and natural gas increase month to month, as they did from December to January, the fuel adjustment also increases. So, when the price of coal and natural gas is lower, the fuel adjustment can be a credit. When their cost is higher, like it was for January, it can become a charge.

Click to find more information about the [Fuel Adjustment Clause and Environmental Surcharge](#)

## WHAT IS THE FUEL ADJUSTMENT CLAUSE AND WHY HAS IT CHANGED SO MUCH?

- A per kWh charge is figured into the base rate EKPC charges Inter-County Energy for power. The FAC is figured monthly by EKPC based on the actual cost of fuel. The FAC can either be a credit if that cost is below the base rate kWh charge, or a charge if the cost is above the base rate kWh charge.



**The FAC goes directly to East KY as our power supplier. Inter-County Energy does not keep the money from that charge.**

The FAC on my bill has been a credit, now it's a charge – why?

- ***The cost of fuel including coal and natural gas has risen significantly (natural gas prices are as much as 3.5 times higher) and this directly impacts the FAC.***
- The FAC changes monthly due to the cost of fuel and the amount of energy used. Colder and hotter months will see more energy use (and, therefore, a higher FAC)
- The FAC can be a credit or a charge.