

Understanding Two Important Changes on Your Electric Bill

Last month, I shared a closer look at your electric bill and explained the different charges that make up the total amount you pay each month. As a consumer-member of Meade County RECC, it is important to understand that your bill reflects much more than simply the electricity you use. On a residential bill, there are two monthly charges that cover the cost of operating and maintaining Meade County RECC's local retail distribution system, while all other charges are associated with the generation and transmission of the electricity we purchase from our wholesale power supplier, Big Rivers Electric Corporation. I also explained why these costs can fluctuate from month to month, particularly as fuel prices, wholesale energy markets and weather conditions change.

This month, I'd like to focus on two specific line items that you may notice on your electric bill: the **Interim Energy Adjustment (IEA)** and the **Non-Fuel Adjustment Clause (Non-FAC PPA)**. These are charges that are passed on to Big Rivers and not directly tied to what Meade County RECC recovers.

A New Line Item: Interim Energy Adjustment

As mentioned last month, likely hitting on October bills, dependent on Kentucky Public Service Commission review, there will be a new line item on your bill called the **Interim Energy Adjustment**.

First, and most importantly, **this is not an additional charge to you**. The Interim Energy Adjustment is a portion of an existing charge that was previously included in the **Fuel Adjustment Clause (FAC)** charge. It is simply being separated and displayed as its own line item to provide greater transparency.

So, if you look at your bill and see the new **Interim Energy Adjustment**, it does not mean Meade County RECC has added another charge or increased your bill because of this new line item.

Why make the change?

The adjustment reflects specific fuel-related costs associated with an agreement between Big Rivers and a large industrial member. Back in 2021, that agreement helped attract significant economic development to our region and has provided benefits to the Big Rivers system and its member cooperatives.

For transparency, rather than having those costs remain combined within the broader **FAC**, they are now being identified separately on your bill. This will remain in effect until the contract expires in 2031. The large industrial member will then go to a standard tariff rate,

and the **Interim Energy Adjustment** line item will be removed and all fuel-related costs for the member will be included again in the standard **FAC** line item.

Again, the important takeaway is simple: **the Interim Energy Adjustment is a change in how an existing charge is displayed, not an additional charge being added to your bill.**

The Non-FAC PPA Line Item is Increasing

The second item I want to discuss in more detail is the **Non-FAC PPA** charge. As early as next month, members will begin seeing an increase in this charge, and it will remain in effect over the next 12 months.

The **Non-FAC PPA** represents the cost of electricity that Big Rivers purchases from sources outside of its own power plants.

While Big Rivers generates much of the electricity needed to serve Meade County RECC consumer-members at its own generating facilities, there are times when purchasing electricity from the wholesale market is necessary. For example, a Big Rivers generating station may be offline for planned maintenance or an unexpected outage. When that happens, Big Rivers still has an obligation to provide the electricity needed to serve its member cooperatives.

In those situations, Big Rivers can purchase power from the wholesale market. The cost of that market-purchased power is typically reflected in the **Non-FAC PPA**. Back in January, when Winter Storm Fern hit, Big Rivers had an unexpected outage at one of their generating stations as demand for electricity skyrocketed simultaneously. As demand increased across the region, so did market prices. As a result, Big Rivers had to purchase much of its power from the wholesale market while dealing with an unplanned outage at their largest generating station.

Fortunately, Big Rivers was able to work with the Kentucky Public Service Commission to spread these costs over the next 12 months in the **Non-FAC PPA** line item, beginning this September and remaining in effect through August 2027. Had they not been able to do that, you would have seen a very historical and significant increase on your March 2026 bill.

We know any increase on an electric bill matters, especially when families and businesses are already managing higher costs in many areas of their budgets. So, what kind of increase can you expect?

- For every 1,000 kWhs a consumer-member uses in a month, they can expect about a \$13 monthly increase.

- For every 2,000 kWhs a consumer-member uses in a month, they can expect about a \$26 monthly increase.
- For every 3,000 kWhs a consumer-member uses in a month, they can expect about a \$39 monthly increase.

What This Means for You

It is important to remember that Meade County RECC does not control every component of the cost of the electricity we deliver. We operate the local distribution system, but a significant portion of what you pay represents the cost of generating and transmitting the electricity that ultimately reaches your home or business.

Our responsibility is to manage the portion of the system we control as efficiently and responsibly as possible while advocating for our members with our wholesale power supplier and regulators.

As a not-for-profit-member-owned cooperative, we don't have outside shareholders expecting a return on their investment. **Our responsibility is to you—the people and businesses who own this cooperative.**

If you have questions about your bill, a particular charge, or how these changes may affect you, please don't hesitate to reach out to us. We want you to have a clear understanding of what you are paying for and why. Our member service team is here to answer your questions, explain your bill, and help you find ways to manage your energy costs.