

# Answers about the Fuel Adjustment Clause



Here are answers to help our members better understand the fuel adjustment clause on their monthly bills:

## **Q.** *What's the fuel adjustment clause?*

**A.** It recovers a portion of the cost of coal and natural gas needed to run power plants, and costs to buy power from other utilities.

## **Q.** *Does the fuel adjustment change with the price of gas?*

**A.** It has nothing to do with the cost of gasoline for Shelby Energy's trucks. The fuel charge recovers a portion of the costs incurred by our power supplier for coal and natural gas to operate its electric plants, and their costs to buy power from other utilities.

## **Q.** *Why does it go up and down so much?*

**A.** Costs for coal, gas and purchased power vary, along with weather. Changes in weather will dramatically change the amount of the fuel charge.

## **Q.** *Why is it sometimes a credit and sometimes a charge on my bill?*

**A.** Every two years, state regulators mandate that the fuel charge be updated to reflect actual costs for fuel to run power plants. Last summer, this change occurred. Since that time, the fuel adjustment on Shelby Energy's bills has occasionally been a charge, but it has also been a credit.

## **Q.** *What else explains the differences I see compared to months last year?*

**A.** Check electric usage in the months being compared. Because you typically use more electricity in the winter and summer than in the fall or spring, your fuel charge will generally be higher around the hottest and coldest months.

## **Q.** *Who decides what the charges are?*

**A.** Our power supplier uses a formula approved by state regulators. Every penny goes directly to our power supplier. State regulators make sure that only proper expenses are included.

## **Q.** *Is there anything I can do?*

**A.** Absolutely. Most homes have leaks in duct work and lots of places where outside air gets in. Fixing those problems can significantly reduce energy consumption. By being more energy efficient and lowering electric use, you can help to reduce the fuel charge.

## **Q.** *Can the co-op help me with that?*

**A.** We offer efficiency programs, provide free energy audits and provide free energy tips. Go to [www.togetherwesaveKY.com](http://www.togetherwesaveKY.com) to learn more.

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