

# WHAT'S ON MY BILL?

An explanation of line items on Kentucky Power bills  
as authorized by the Kentucky Public Service Commission

- **Fuel Adjustment Clause (FAC) – Fuel Adj.**

The FAC is a charge/credit for the actual cost of fuel (coal or natural gas) used to generate or purchase electricity. Kentucky Power does not make a profit on its fuel costs as it simply recovers dollar for dollar the costs of purchasing fuel to power its plants. The charge/credit varies monthly due to the changes in the price of fuel or transportation.

- **Demand side management (DSM) – DSM Adj.**

The DSM rider is designed to recover specific expenses and lost revenue associated with conservation and energy efficiency programs. This tariff is customer class specific. For example, residential program expenses are only recovered from the residential rate class. Current DSM programs are for residential and commercial customers only.

- **Home Energy Assistance Program (HEAP) – Residential HEAP**

HEAP is designed to collect \$0.15 per month from every residential account to help other residential customers who need assistance in paying their bills. Kentucky Power matches all funds collected from customers.

- **Kentucky Economic Development Surcharge (KEDS)**

KEDS is designed to collect \$0.15 per month from every account to help fund economic development-oriented projects and programs only. The company matches all funds collected from customers to generate \$600,000 a year to reinvest in the community.

- **Capacity Charge (CC)**

This charge allows for supplemental capacity payments outside of base rates to be recovered for the Rockport generating facilities through 2022.

- **Big Sandy 1 Operation Rider (BS1OR)**

The rider is designed to recover the non-fuel operational costs associated with Big Sandy Unit 1, including the capital associated with the unit gas conversion.

- **Big Sandy Retirement Rider (BSRR)**

The result of a Settlement Agreement / KPSC Order dated October 7, 2013, in Case No. 2012-00578, the BSRR is designed to recover all remaining costs and expenses associated with the closure of Big Sandy Unit 2 and retirement of coal-related assets from Big Sandy Unit 1.

- **Environmental Surcharge (ES) - Environmental Adj.**

The ES rider is designed to recover specific expenses associated with projects to comply with environmental regulations mandated by the Environmental Protection Agency (EPA) and for certain environmental costs above those recovered in base rates.

- **Purchased Power Adjustment (PPA)**

The PPA is a charge/credit to recover the actual cost of purchased power that is not otherwise recoverable in the FAC. Kentucky Power does not make a profit on its purchased power as it simply recovers dollar for dollar the costs of purchasing power to supply to its customers. The charge/credit varies monthly based on the volume of purchased power. The only costs now recovered through the PPA are costs associated with purchased power during forced outages at company generating facilities.

- **Green Pricing Option Rider**

This rider is designed for customers wishing to purchase Renewable Energy Credits (green power) in lieu of fossil-generated energy. The customer may purchase a minimum of 1 block (100 kWh) up to a maximum of 500 blocks per month.

- **Alternate Feed Service Rider**

This rider is associated with a premium service offering designed for specific customers wanting a redundant distribution service for enhanced reliability. It is provided through a redundant distribution line and distribution station transformer.

Customers with questions can call our Customer Operations Center toll-free at **1-800-572-1113**. In addition, a copy of these line items is posted on the company website: [kentuckypower.com/account/bills/rates/](http://kentuckypower.com/account/bills/rates/).

A copy of the rates also is available at: Kentucky Public Service Commission, 211 Sower Blvd., Frankfort, KY 40601.



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