



Why your electric bill might be higher

Kentucky customers, with the recent spike in market prices for energy, as well as additional energy usage during winter months, you may have noticed an increase in the Fuel Adjustment Clause (FAC), also called the Electric Fuel Adjustment, on your bill. The FAC is the charge for fuel and/or purchased power used to supply electricity to your home or business and can fluctuate widely over relatively short periods. We have not seen volatility in fuel market prices to this degree since 2008.

Please know that we work hard to minimize our costs while ensuring that we deliver reliable power to your home or business. There are times when we must purchase power from the market. When this occurs, Duke Energy purchases energy at the best possible price. Then, after a Kentucky Public Service Commission (KPSC) review, we pass this cost directly to customers with no markup. FAC costs have recently changed and, depending upon your energy usage, you may see a reduction in your FAC charges with your March bill.

ASSISTANCE MAY BE AVAILABLE

We understand that unexpected charges on your electric bill can make budgeting difficult. For residential customers who may need assistance paying their bill, help may be available from one of the following sources:

- Installment plans provide more flexibility to pay back balances over longer periods of time. You can request a few extra days or restructure your entire balance into a monthly payment plan. Learn more about the options available by visiting duke-energy.com/MoreTime or calling us at 800.544.6900.
- Local, state and federal [assistance programs](#) may be available for eligible customers.
- Emergency funds may be available for utility bills through the [Northern Kentucky Community Action Commission](#).
- Duke Energy's [Share the Light Fund](#) may be able to offer financial assistance. Customers can apply for up to \$300 in assistance throughout the program year.
- United Way can refer you to other organizations that may provide assistance with utility bills or other needs. Learn more by visiting 211.org or calling 211.

Customers may also find a variety of helpful resources on our [Special Assistance](#) webpage and tips to reduce energy usage at duke-energy.com/WinterBills.

FAC QUESTIONS & ANSWERS

What is the Fuel Adjustment Clause?

The FAC is the charge for fuel and/or power purchased from the market used to supply electricity to your home or business and can rise and fall significantly over a short time span. It can be found in the "Billing Details – Electric" portion of your bill.

Why is the FAC necessary?

Fuel costs make up a significant portion of the cost of generating electricity. Fuel prices can fluctuate widely over relatively short periods, as can the price of purchased power. Utilities are permitted to reflect those fluctuations in their electric rates without having to request changes in their base rates, which is more beneficial to customers.

How often does the FAC change?

The FAC changes monthly to reflect the fuel costs incurred two months earlier.

How did maintenance to East Bend Station impact my bill?

East Bend Station is Duke Energy's primary source for electric energy in Northern Kentucky. The plant was taken offline for required maintenance in the fall of 2021. As a result, Duke Energy had to purchase power from the market to meet our customers' electric needs. Costs for fuel purchases appear on customers' electric bills about two months after they are incurred. In this instance, costs for market purchases made in the fall started appearing on bills in November and December and will continue through February.

Does Duke Energy earn a profit on the FAC?

No. The FAC serves simply as a mechanism for reflecting the cost of fuel and purchased power that is passed through to customers on a dollar-for-dollar basis with no markup.

Does the KPSC review the FAC amounts for each utility?

Yes. The monthly FAC filings are reviewed for accuracy. A more detailed review is conducted every six months.

How does the KPSC know if the FAC accurately reflects fuel costs for a utility?

Utilities are required to fully document all their fuel costs. This includes submitting fuel purchase contracts and other materials to the KPSC. The KPSC may, based on that information, determine whether a utility has done everything it reasonably can do to keep fuel costs as low as possible, while maintaining a reliable fuel supply.

Need more information?

We hope this information helps you to better understand recent charges on your electric bill. If you have any questions, please contact us at 800.544.6900.



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