

ENVIRONMENTAL SURCHARGE

Q. *What is the environmental surcharge?*

A. The surcharge reflects the cost of equipment and other expenses our power supplier, East Kentucky Power Cooperative, incurs to comply with EPA regulations on power plant emissions.

Q. *What equipment is needed to comply with EPA rules?*

A. Our power supplier, East Kentucky Power Cooperative, has had to install expensive equipment like scrubbers to meet government regulations. The surcharge covers operation and maintenance of this equipment, and other environmental costs.

Q. *Why does it change from month to month?*

A. It changes as environmental costs fluctuate. It also changes because there is a "true up" to account for monthly over- or under-collections of these costs.

Q. *How is the surcharge amount calculated?*

A. It is based on a formula approved by state regulators. Our power supplier, East Kentucky Power Cooperative, bills our co-op for these costs and then those are passed to members. State regulators regularly check to ensure that only proper expenses are included.

Q. *Does the co-op get revenue from the surcharge?*

A. No. The charge is a pass-through from our wholesale energy supplier, East Kentucky Power Cooperative (EKPC). Every penny goes directly to EKPC.

Q. *Is the Cooperative Solar farm causing the surcharge to increase?*

A. No. Cooperative Solar has no impact on the environmental surcharge.

Q. *Can the co-op help me at all?*

A. Our co-op understands that the economic downturn makes it difficult to pay for utilities, food and medicine. We can help members with programs like Prepay, levelized billing, bill payment plans.

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Kentucky's
Touchstone Energy
Cooperatives®