UPDATED BILLING

You will notice some changes to your Shelby Energy bills beginning in April. We have updated our bills to help you better understand your energy usage and stay connected with your cooperative. SmartHub will also be available at this time. You may download the SmartHub app to monitor your usage, pay your bill, report service issues and more. Visit www.shelbyenergy.com or follow us on Facebook for updates regarding these changes.

FRONT OF BILL

This page provides a summary of your most recent month's usage, your total amount due and due date.

1. Account Number: Please note, this is where your Shelby Energy account number is located.

2. *SmartHub*: This interactive tool allows you to monitor your daily usage, pay your bill and report service issues. Follow the link or scan the code to download the SmartHub app or login online.

3. Monthly Usage: This section is a detailed summary of your monthly kilowatt hours used for the current month's bill cycle.

4. Important Member Info: You will find important news and updates related to your cooperative membership and electric service here. Please review this section monthly.

BACK OF BILL

This page is a review and calculation of all charges on your current bill and your usage history for the past year.

5. Account Information: Please ensure your account information is current by reviewing your bill. Contact Shelby Energy to update your information.

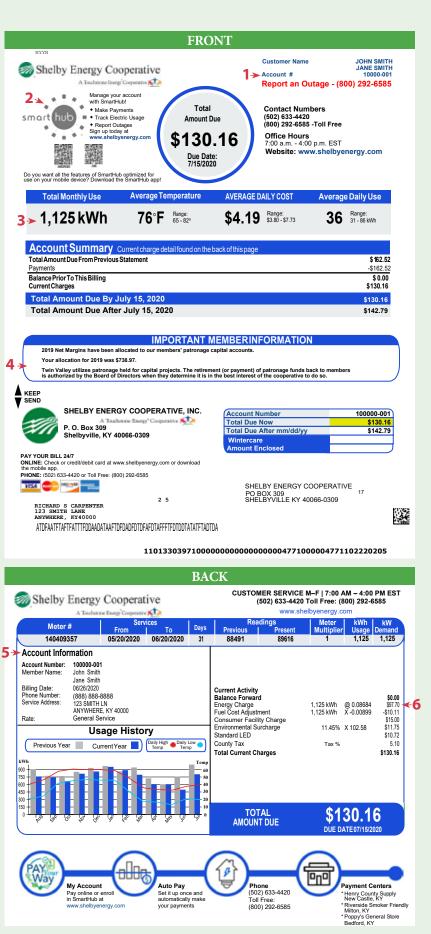
6. Charges and calculations:

• Energy Charge: Your bill contains the details of how your energy usage cost is calculated.

• Fuel Cost Adjustment: This is used to recover a portion of the cost of coal and natural gas needed to generate your power and the costs to buy from our supplier.

• Consumer Facility Charge: This is the minimum bill charge that each member pays monthly to cover a small portion of the costs for Shelby Energy to provide electric service. This would be the member's bill amount with no energy usage.

• Environmental Surcharge: This reflects the cost of equipment and other expense our power supplier incurs as it complies with EPA regulations.



If you have questions regarding how to read your bill, please call us at (800) 292-6585.

FUEL ADJUSTMENT CLAUSE

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. 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 needed to generate power and the fuel charge.

Q. Does anyone check to make sure the fuel charge is accurate?

A. Every six months, state regulators review our power supplier's fuel adjustment clause calculations to make sure the charges are correct.

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.

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, you can help to reduce the fuel charge.



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Q. What is the environmental surcharge?

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

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

A. Our power supplier 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 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?

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.

