COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026	)))))	**Case No. 2026-00089**

Big Rivers Electric Corporation's

Response to Commission Staff's
Third Request for Information
dated July 28, 2026

FILED: August 14, 2026

BIG RIVERS ELECTRIC CORPORATION

ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

VERIFICATION

I, Rebecca L. (Becky) Shelton, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Rebecca L Shelton

Rebecca L. Shelton

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

SUBSCRIBED AND SWORN TO before me by Rebecca L. Shelton on this the 12th day of August 2026.

Senthia Towery Santana

Notary Public, Kentucky State at Large

Notary ID KYNP113611

My Commission Expires 4-27-2030

SENTHIA TOWERY SANTANA
Notary Public
Commonwealth of Kentucky
Commission Number KYNP113611
My Commission Expires Apr 27, 2030

BIG RIVERS ELECTRIC CORPORATION

ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

VERIFICATION

I, Christopher A. Warren, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Christopher A. Warren

Christopher A. Warren

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

SUBSCRIBED AND SWORN TO before me by Christopher A. Warren on this the 12th day of August 2026.

Senthia Towery Santana

Notary Public, Kentucky State at Large

Notary ID KYNP 113611

My Commission Expires 4-27-2030

SENTHIA TOWERY SANTANA
Notary Public
Commonwealth of Kentucky
Commission Number KYNP113611
My Commission Expires Apr 27, 2030

BIG RIVERS ELECTRIC CORPORATION

ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

VERIFICATION

I, Derrick Miller, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Derrick Miller

Derrick Miller

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

SUBSCRIBED AND SWORN TO before me by Derrick Miller on this the 12th day of August 2026.

Senthia Towery Santana

Notary Public, Kentucky State at Large

Notary ID KYNP113611

My Commission Expires 4-27-2030

SENTHIA TOWERY SANTANA
Notary Public
Commonwealth of Kentucky
Commission Number KYNP113611
My Commission Expires Apr 27, 2030

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 1) ***Refer to BREC's response to Commission Staff's First Request for Information (Staff's First Request), Item 3. Provide an explanation of how BREC accounts for the operation and maintenance (O&M) costs associated with the handling and disposal of the coal combustion residuals (CCR) components (fly ash and gypsum). Explain whether BREC includes the incremental costs for CCR handling and disposal as associated with the additional Nucor load.***

Response) The Operation and Maintenance (O&M) costs associated with the handling and disposal of the coal combustion residuals (CCR) components are included in the monthly Environmental Surcharge (ES) recovery under the section SO2 Plan Expenses on Form 2.50. The monthly variance explanations are included in the KY PSC ES reviews. These Operations and Maintenance (O&M) expenditures represent the recurring monthly obligations incurred during active generation phases at our coal-fired facility.

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

As we stated in Big Rivers' responses to Items No. 5 and 10 of the Staff's Second Request for Information, generation is independent of load and so there are no incremental environmental compliance costs due to Nucor. The observed monthly and annual expenditure variances following the integration of the Nucor load are attributable to macroeconomic inflationary pressures and fluctuations in operational dispatch timing.

Witness: Rebecca L. (Becky) Shelton

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 2) ***Refer to BREC's response to Staff's First Request, Item 5a and the reference to BREC's Member Rate Stability Mechanism (MRSM). For the review period, provide a comparison of the MRSM that BREC's Members received relative to the MRSM the Members would have received if Nucor's revenues were included in the calculation of the Environmental Surcharge. For example, provide the amount returned through the MRSM that includes the shortfall that would have been produced if Nucor revenues would have been included in the Environmental Surcharge, but if Nucor did not receive an allocation of the existing MRSM bill credits for the review period.***

Include in the comparison the impact on the reduction to the regulatory assets that are reduced through the MRSM. Provide the calculations in Excel spreadsheet format with all formulas, columns and rows unprotected and fully accessible.

Response) Attached as "Exhibit PSC 3-2" is the revised 2024 Monthly Revenue Stabilization Mechanism (MRSM) calculation showing the monthly allocations distributed during the 2025 calendar year in Excel spreadsheet format. This MRSM revision incorporates a $202,358 increase to net margins, representing the additional revenue Big Rivers would have collected under the revised Environmental Surcharge (ES) methodology. The revised ES framework includes Nucor revenues within both Total Member Revenues and Average Monthly Member Revenues as well as the adjustment to the Over/Under Recovery for the review period. Consequently, the revised 2024 MRSM reflects the following allocations: $121,414.80 increase to the Regulatory Liability account, $57,759.21 increase to the Rural customer class, and $23,183.99 increase to the Large Industrial customer class. Consistent with tariff guidelines, the revised MRSM excludes Nucor from receiving MRSM bill credits.

Witness: Rebecca L. (Becky) Shelton

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 3) ***Refer to BREC's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, page 3. The response provides examples of two other customers that pay BREC for the market-based power of the energy they receive.***

a. Explain whether either or both of these customers cause BREC to incur any environmental expenses.

b. Explain whether BREC incurs any environmental expenses to provide energy to Nucor.

c. Explain how the comparison of Nucor to the other examples is relevant.

Response)

a. The two customers provided in the response to the Commission Staff's Second Request for Information, Item 1, Page 3 do not cause BREC to incur any environmental expenses.

b. As discussed in the response to the Commission Staff's Second Request for Information, Item 5, there are no additional environmental compliance costs associated with Big Rivers' service to Nucor.

c. The comparison of Nucor to the other examples was intended to explain that Big Rivers treats those customers consistently in the environmental surcharge calculation because none of these customers currently pay the environmental surcharge.

Witness: Christopher A. Warren

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 4) ***Refer to BREC's response to Staff's Second Request, Item 3. Provide the basis for no change in the MSRM amounts for the Rural customers if Nucor is included in the MRSM.***

Response) The response to Staff's Second Request, Item 3 is modeled under the scenario that Nucor receives an allocation of the existing MRSM bill credits not a change to the dollar amount allocated to Rural versus Large Industrial Class. Nucor is considered a Large Industrial and therefore would be part of the Large Industrial Class.

Per Case 2020-00064, the monthly MRSM bill credit would be allocated to the Rural Class and Large Industrial Class in proportion to the revenues produced by each class during the prior calendar year, excluding revenue from sales under an economic development rider (EDR) and sales to which Big Rivers' fuel adjustment clause is not applicable. The monthly bill credit would then be applied based upon kWh sales within each class.

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Witness: Rebecca L. (Becky) Shelton

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
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RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 5) ***Refer to BREC's response to Staff's Second Request, Item 7. This response is nonresponsive to the information requested. Refer to Case No. 2019-00365[2] generally. Provide the citations of BREC's request or explanation and the Commission's approval of BREC's plans to remove the Nucor revenues from BREC's Environmental Surcharge.***

Response) Big Rivers did not request or explain the exclusion of Nucor revenues from the Environmental Surcharge calculation in Case No. 2019-00365.

Witness: **Christopher A. Warren**

[2] (Note 2 from the Question) Case No. 2019-00365, *Electronic Joint Application of Big Rivers Electric Corporation and Meade County Rural Electric Cooperative Corporation for (1) Approval of Contracts for Electric Service with Nucor Corporation; and (2) Approval of Tariff* (Ky. PSC Aug. 17, 2020).

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 28, 2026

August 14, 2026

Item 6) ***Refer to BREC's response to Staff's Second Request, Item 10b. The response states "Big Rivers' Members are taking great efforts to educate their member consumers about that new tariff rider ahead of it showing up on bills."***

a. Provide a description of those efforts as well as the information provided by the Members to the customer.

b. Explain how the Members are measuring their success with educating their customers about this rider.

Response)

a. Big Rivers' proposed Interim Energy Adjustment rider, filed on June 29, 2026 via the Commission's Electronic Tariff Filing System under TFS2029-00299, remains under review. Big Rivers' Member Services connected with some industrial customers on the new rider and plans to communicate with all industrial customers in August and/or September to specifically explain the IEA. Additionally, Big Rivers is holding information sessions for the member service representatives ("MSRs") of its Members.

Big Rivers' Members have taken the following steps:

1. JPEC has created a 2-sided bill insert that will be included in all electric bills mailed in September. They are also publishing the "Power Bill Explanation" graphic in September's *Kentucky Living* magazine. A copy of both are attached as exhibits to this response.
2. Kenergy published an infographic in the July edition of *Kentucky Living* Magazine and an article in the August edition of the magazine. A copy of both are attached as exhibits to this response.
3. MCRECC has created an infographic bill insert, "Understanding Your Energy Bill" that will be sent with member bills in September. MCRECC's September edition of *Kentucky Living* magazine will include an article titled "Billed Riders," and its

October edition will include, within its local section, the "Understanding Your Energy Bill" infographic. A copy of both are attached as exhibits to this response and MCRECC will make both the article and infographic available through their website. Also, all MCRECC employees participated in a bill rider information session at Big Rivers on June 23, 2026.

b. Big Rivers and its Members do not currently maintain a specific metric for measuring the success of educating members about this rider. While we can measure the scope and frequency of our outreach efforts, determining whether individual members have received, reviewed, understood, or acted upon that information is significantly more difficult. Accordingly, the focus is to provide accurate and accessible information and evaluate the consistency and reach of those efforts, rather than attempting to quantify member comprehension or awareness.

1. JPEC's MSRs are going to monitor how many questions members have regarding the new line-item charge through contract

tracking in the NISC, National Information Solutions Cooperative, system.

2. Kenergy's MSRs and Field Engineers will be attending an information session with Big Rivers in the coming weeks. Kenergy will also setup contact tracking on this item through NISC.
3. All MCRECC's MSRs will monitor, note and track member calls concerning bill riders.

Witness: Derrick Miller

THE JACKSON PURCHASE ENERGY GUIDE TO

Understanding Your Energy Bill

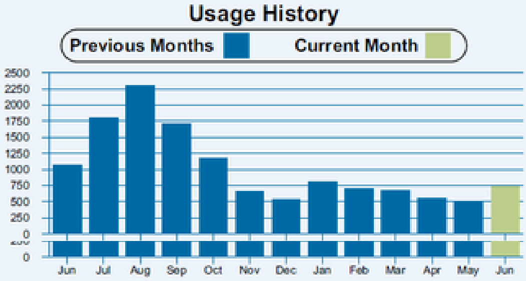
Phone: 270-442-7321 or 1-800-633-4044
Hours: 8:00 a.m. - 4:00 p.m. Monday - Friday
jpenergy.com

Account Number: **Rate Description: Residential** **Service Address:**

Meter #	Rate	Days	Services From	Services To	Readings Previous	Readings Present	Metered Usage	Meter Multiplier	Recorded Usage
	R	31	05/06/26	06/06/26	2565	3301	736	1	736

Previous Account Activity			
Previous Month's Balance			110.85
Payment(s) Received			(110.85)CR
Balance After Payment			**0.00**
Current Activity			
Facilities Charge			26.00
kWh Charge 736 X .1189600			87.55
Fuel Adjustment Clause	.02892200	15.97	
NEW IN FALL 2026: **Interim Energy Adjustment**		5.32	
Environmental Surcharge	.01431000	10.53	
Non-Smelter Non-Fac PPA	.00836300	6.16	
Member Rate Stability Mechanism	(.00197900)	(1.46)CR	
Total Power Supply Adjustments			**36.52**
3% School Tax		4.50	
Total Taxes and Fees			**4.50**
Current Bill			**154.57**
Total Amount Due By 07/02/2026			**154.57**
Total Amount Due After 07/02/2026			**162.07**

Usage History



For more information on your usage, visit SmartHub on your computer or mobile device

1. CUSTOMER CHARGE

This is a fixed charge of about 66 cents per day that covers the cost of supplying service to a member-consumer's home. This covers costs that do not vary with changes in kilowatt-hour usage. The charge can vary depending on the number of days included on the bill.

2. KILOWATT-HOUR CHARGE

The current rate of 11 cents per kilowatt hour covers the base cost to produce and distribute each kilowatt hour consumed by members.

POWER SUPPLY ADJUSTMENTS

As a member-consumer of Jackson Purchase Energy Cooperative, you are also an owner of Big Rivers Electric Corporation. Big Rivers is a cooperative that serves as the wholesale power producer. Big Rivers generates the electricity, and JPEC delivers it to your home or business. The following credits and charges come from the cost to produce power.

3. FUEL ADJUSTMENT CLAUSE (FAC)

This charge covers the fluctuating cost of the fuel (coal, gas, and other fuels) used to generate electricity at Big Rivers' power plants in Kentucky. The FAC charge is based on your usage. The more electricity you use, the higher your FAC charge. FAC charges are applied with a delay of about two months.

4. INTERIM ENERGY ADJUSTMENT (IEA)

Starting with bills you receive in fall 2026, the current FAC rider will be split into two separate line items: the FAC and the Interim Energy Adjustment (IEA). This split will not increase or decrease your bill. The total amount collected remains the same — it will simply be displayed differently.The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member.

Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

5. NON-SMELTER NON-FAC PPA

This charge includes the cost of power purchased, rather than generated, by our power provider. For example, when a Big Rivers plant is shut down for maintenance. This charge also includes hydro power Big Rivers purchases from the Southeastern Power Administration.

6. ENVIRONMENTAL SURCHARGE

This reflects the cost of equipment and other expenses our cooperative power supplier, Big Rivers Electric Corporation, incurs as it complies with EPA regulations on power plant emissions.

7. MEMBER RATE STABILITY MECHANISM

Big Rivers Electric Corporation receives transmission revenue each month. As a not-for-profit power provider, Big Rivers then gives a portion of that revenue to the JPEC Member-Consumers as a credit on their bills.

ADDITIONAL CHARGES

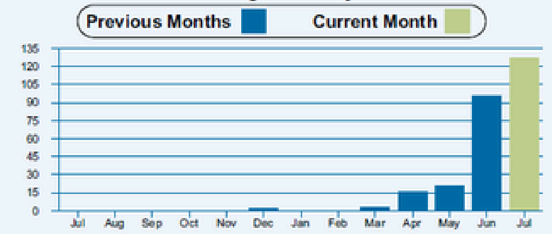
8. SCHOOL TAX

A Kentucky school tax is collected on your monthly energy bill. JPEC does not control this tax.

MORE INFORMATION

Want to compare your energy usage each month? A chart depicting your kilowatt-hour (kWh) usage during the past 13 billing cycles is included at the bottom of your bill. This section also contains your average daily kilowatt-hour usage and the average cost per day.

Understanding Your Energy Bill



Phone: 270-442-7321 or 1-800-633-4044
Hours: 8:00 a.m. - 4:00 p.m. Monday - Friday
jpenergy.com

Account Number: Rate Description: Residential Service Address:

Meter #	Rate	Days	Services From	Services To	Readings Previous	Readings Present	Metered Usage	Meter Multiplier	Recorded Usage
	R	30	06/11/22	07/11/22	90238	90365	127	1	127

Previous Account Activity

Previous Month's Balance			60.55
Payment(s) Received			(24.91)CR
Past Due Balance Due By 07/25/2022			35.64

Current Activity

Facilities Charge			20.35
kWh Charge 127 X .1145210			14.54
Fuel Adjustment Clause	.02180100	2.77	
Environmental Surcharge	.00670400	0.85	
Non-Smelter Non-Fac PPA	.00318300	0.40	
Member Rate Stability Mechanism	(.01332700)	(1.69)CR	
Total Power Supply Adjustments			2.33
3% School Tax		1.12	
Total Taxes and Fees			1.12
Current Bill			38.34
Total Amount Due By 08/09/2022			73.98
Total Amount Due After 08/09/2022			75.84

Usage History

For more information on your usage, visit SmartHub on your computer or mobile device

1. CUSTOMER CHARGE

This is a fixed charge of about 66 cents per day that covers the cost of supplying service to a member-consumer's home. This covers costs that do not vary with changes in kilowatt-hour usage. The charge can vary depending on the number of days included on the bill.

2. KILOWATT-HOUR CHARGE

The current rate of 11 cents per kilowatt hour covers the base cost to produce and distribute each kilowatt hour consumed by members.

POWER SUPPLY ADJUSTMENTS

As a member-consumer of Jackson Purchase Energy Cooperative, you are also an owner of Big Rivers Electric Corporation. Big Rivers is a cooperative that serves as the wholesale power producer. Big Rivers generates the electricity, and JPEC delivers it to your home or business. The following credits and charges come from the cost to produce power.

3. FUEL ADJUSTMENT CLAUSE (FAC)

This charge covers the fluctuating cost of the fuel (coal, gas, and other fuels) used to generate electricity at Big Rivers' power plants in Kentucky. The FAC charge is based on your usage. The more electricity you use, the higher your FAC charge. FAC charges are applied with a delay of about two months.

4. INTERIM ENERGY ADJUSTMENT (IEA)

Starting with bills you receive in fall 2026, the current FAC rider will be split into two separate line items: the FAC and the Interim Energy Adjustment (IEA). This split will not increase or decrease your bill. The total amount collected remains the same — it will simply be displayed differently.The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member.

Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

5. NON-FAC PPA

This charge includes the cost of power purchased, rather than generated, by our power provider. For example, when a Big Rivers plant is shut down for maintenance. This charge also includes hydro power Big Rivers purchases from the Southeastern Power Administration.

6. ENVIRONMENTAL SURCHARGE

This reflects the cost of equipment and other expenses our cooperative power supplier, Big Rivers Electric Corporation, incurs as it complies with EPA regulations on power plant emissions.

7. MEMBER RATE STABILITY MECHANISM

Big Rivers Electric Corporation receives transmission revenue each month. As a not-for-profit power provider, Big Rivers then gives a portion of that revenue to the JPEC Member-Consumers as a credit on their bills.

ADDITIONAL CHARGES

8. SCHOOL TAX

A Kentucky school tax is collected on your monthly energy bill. JPEC does not control this tax.

MORE INFORMATION

Want to compare your energy usage each month? A chart depicting your kilowatt-hour (kWh) usage during the past 13 billing cycles is included at the bottom of your bill. This section also contains your average daily kilowatt-hour usage and the average cost per day.

What's on Your Power Bill?

If you receive electricity from Jackson Purchase Energy Cooperative, you're a Member of a not-for-profit power cooperative. The charges and credits you see on your monthly power bill come from the different steps needed to generate energy at a power plant, maintain and repair the power line system, and deliver electricity to your home.

Kilowatt-Hour Charge

This is the electricity used in your home. The charge is currently about 11.8 cents per kilowatt hour of power used during the billing month.

Facilities Charge

This is a fixed charge of about 87 cents per day that covers the basic cost to be a cooperative member and receive electricity service to your home, like linemen repairing an outage. This charge can vary slightly depending on the number of days included on a bill, but it does not change based on your power usage.

Power Supply Charges: Big Rivers Electric Corporation, JPEC's partner cooperative, generates electricity from Western Kentucky power plants. Big Rivers makes the power, and JPEC delivers it to your home. The following charges are based on the cost of making electricity:

Fuel Adjustment Charge (FAC)

This charge covers the fluctuating cost of the fuel (coal, gas, and other fuels) used to generate electricity at Big Rivers' power plants in Kentucky. The FAC charge is based on your usage. The more electricity you use, the higher your FAC charge.

New Line in Fall 2026

Interim Energy Adjustment

Starting with bills you receive in fall 2026, the current FAC rider will be split into two separate line items: the FAC and the Interim Energy Adjustment (IEA). This split will not increase or decrease your bill. The total amount collected remains the same — it will simply be displayed differently.

The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member. Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

Non-FAC PPA

This charge includes the cost of energy purchased off the power grid market, rather than generated at a local power plant. For example, when a Big Rivers plant is shut down for maintenance. The Non-FAC charge is based on your usage.

Environmental Surcharge

This charge reflects the cost of equipment and other expenses needed to comply with EPA regulations for power plants. The Environmental Surcharge is calculated based on your energy usage.

Member Rate Stability Mechanism

This is a bill credit, not a charge. Big Rivers Electric Corporation receives transmission revenue each month. As a not-for-profit power provider, Big Rivers then gives a portion of that revenue to JPEC Member-Consumers as a credit on your power bill.

Kentucky School Tax

A Kentucky school tax of 3% is collected on your monthly energy bill. JPEC does not control this tax.

JACKSON PURCHASE ENERGY
A Member-Owned Cooperative

What's on your power bill?

If you receive electricity from Kenergy, you're a member of a not-for-profit power cooperative.

The charges and credits you see on your monthly power bill come from the different steps needed to generate energy at a power plant, maintain and repair the power line system, and deliver electricity to your home.

Power Supply Charges: Big Rivers Electric Corporation, Kenergy's partner cooperative, generates electricity from Western Kentucky power plants. Big Rivers makes the power, and Kenergy delivers it to your home. The following charges are based on the cost of making electricity:

Kilowatt-Hour Charge

This is the electricity used in your home. The charge is currently about 11 cents per kilowatt hour of power used during the billing month.

Fuel Adjustment Charge (FAC)

This charge covers the fluctuating cost of the fuel (coal, gas and other fuels) used to generate electricity at Big Rivers' power plants in Kentucky. The FAC charge is based on your usage.

Non-FAC PPA

This charge includes the cost of energy purchased off the power grid market, rather than generated at a local power plant. For example, when a Big Rivers plant is shut down for maintenance. The non-FAC charge is based on your usage.

Environmental Surcharge

This charge reflects the cost of equipment and other expenses needed to comply with EPA regulations for power plants. The environmental surcharge is calculated based on your energy usage.

Customer Charge

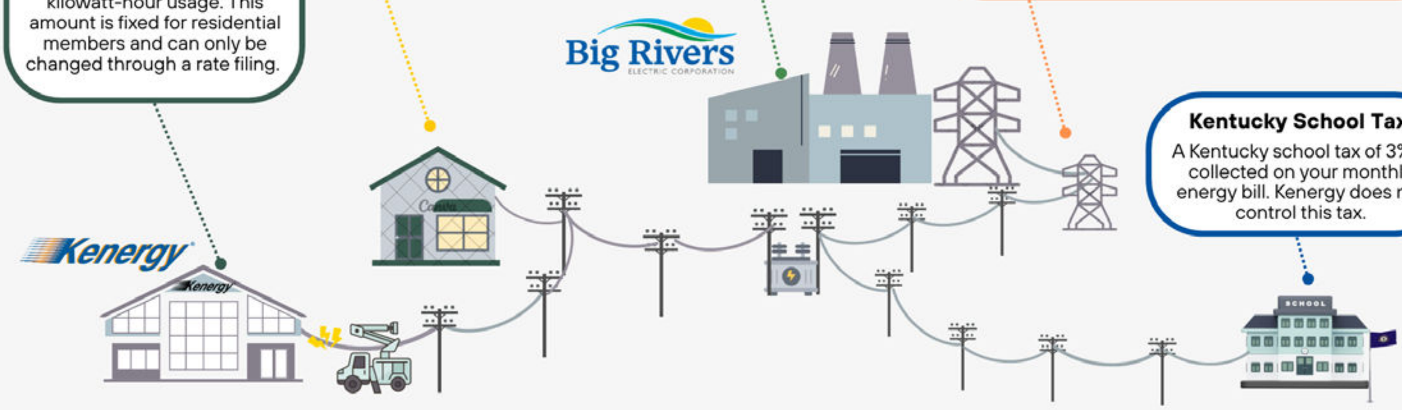
This is a fixed charge of $22 that covers the cost of supplying service to members' homes. This covers costs that do not vary with changes in kilowatt-hour usage. This amount is fixed for residential members and can only be changed through a rate filing.

Member Rate Stability Mechanism

As a not-for-profit power provider, Big Rivers gives a portion of its margins back to Kenergy members as a credit on their bill.

Kentucky School Tax

A Kentucky school tax of 3% is collected on your monthly energy bill. Kenergy does not control this tax.



KENERGY

MEMBER OWNED. SERVICE DRIVEN.

KenergyCorp.com

JOE IMEL

AUGUST 2026

What's on your bill?

A simple guide to energy charges

When you open your monthly energy bill, you may notice several different charges. While some of these charges can vary from month to month, each line represents one piece of the cost to generate and deliver reliable electricity to your home.

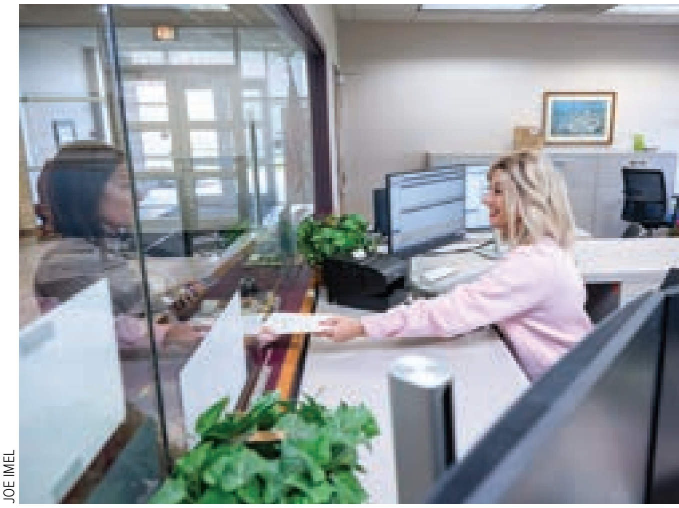
As a cooperative member of Kenergy, you are served by a local, not-for-profit utility committed to providing dependable and affordable power. Kenergy's not-for-profit generation partner, Big Rivers Electric Corporation, produces most of the electricity members need at power plants located in Western Kentucky.

The different line items on your bill are designed to keep costs fair and manageable over time. Instead of frequently adjusting base rates, riders help balance changing energy costs throughout the year and help smooth out seasonal or unexpected increases.

Breaking down your bill

Here's a closer look at the key Kenergy charges and credits:

- **Customer Charge:** This is the basic cost to provide electric service, covering infrastructure, such as poles and wires, as well as storm-related repairs.
- **Kilowatt-Hour Charge:** This reflects the amount of electricity you use each month.
- **Member Rate Stability Mechanism (MRSM):** This credit returns a portion of Big Rivers' margins to cooperative members–one of the benefits of being part of a member-owned utility, like Kenergy.



JOE IMEL

Three riders are tied directly to the cost of Big Rivers generating and delivering electricity:

- **Fuel Adjustment Clause**
- **Non-Fuel Adjustment Clause**
- **Environmental Surcharge**

These riders cover the cost of fueling and maintaining the Big Rivers power plants, and of purchasing market energy when needed. While "fuel" is part of the FAC and Non-FAC names, the riders apply only to fuels used to generate electricity at power plants, such as coal or natural gas. They do not apply to gas for homes or vehicles.

Why costs can change

For many years, fluctuations in the FAC and Non-FAC riders were relatively small. In some months, the Non-FAC rider even acted as a bill credit. In recent years, however, energy markets have become more volatile. Fuel costs and electricity prices swing significantly, often influenced by the weather. Extreme temperatures, whether very hot or very cold, can drive up energy demand, increasing the cost of generating and purchasing electricity.

Early 2026 brought unusually severe conditions. When Winter Storm Fern arrived in late January, Western Kentucky experienced several inches of snow and more than a week of below-freezing temperatures. The storm also impacted much of the Midwest and South, covering large areas in heavy snow and ice.

As the winter storm lingered, electricity demand at homes and businesses rose quickly, straining the power grid.

Continued on page C

Continued from page A

At the same time, frozen equipment caused some power plants to go offline, while others faced sharply higher fuel costs, particularly for natural gas, with the region experiencing some of the highest natural gas prices on record. Together, these factors created challenging conditions across the system. By the end of the week, energy costs totaled tens of millions of dollars above normal, with similar situations affecting many utilities across the Midwest.

Managing costs and supporting members

In response to events like these, Kentucky lawmakers moved to allow utilities to spread unusually high fuel costs over time, helping minimize sudden bill increases. Big Rivers and Kenergy also continually work to manage costs responsibly. Bill charges are regularly reviewed by the Kentucky Public Service Commission to ensure accuracy and fairness.

The FAC rider changes each month and lags by two months. For example, the FAC portion of January's winter storm was reflected on the bill you received in March 2026.

The Non-FAC rider is adjusted once a year, which provides predictability. In September 2026, it will update to the new annual rate, approximately a $0.02 per kWh increase. This spreads the remaining winter storm costs over the next 12 months.

The Non-FAC and FAC riders are both based on your monthly energy use, which means you can help manage these variable costs. Using less electricity can lower each rider's impact on your bill. Improving your home's energy efficiency is a simple way to reduce overall energy use and save money year-round.

New line for fall energy bills

You may notice a new line on your electric bill this fall. Starting with bills you receive in late September or October, the current FAC rider will be shown as two separate line items: the FAC and the Interim Energy Adjustment.

This change is being made for transparency, at the direction of the Kentucky Public Service Commission. It will not increase or decrease your bill. The total amount collected remains the same—it will simply be displayed differently.

The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member. Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

For more information about your bill, helpful energy-saving tips or available payment assistance programs, visit the Kenergy website.

Take control of your energy costs

The FAC, IEA, Non-FAC and Environmental Surcharge riders are all based on your monthly energy use, which means you can help manage these variable costs. Using less electricity can lower each rider's impact on your bill. Improving your home's energy efficiency is a simple way to reduce overall energy use and save money year-round.

CONTACT INFORMATION

Toll Free: For information or to report an outage (800) 844-4832

Henderson: 7:30 a.m. – 4:30 p.m. 6402 Old Corydon Road

Owensboro: 7:30 a.m. – 4:30 p.m. 3111 Fairview Drive

Hanson: 9 a.m. – Noon, 1 p.m. – 4 p.m. 2620 Brown Badgett Loop

Hawesville: 9 a.m. – Noon, 1 p.m. – 4 p.m. 315 Hawes Blvd

Marion: Tuesday and Friday, 9 a.m. – Noon, 1 p.m. – 2:30 p.m., 3000 Mott City Road

SIGN UP FOR FIBER-FAST INTERNET AT WWW.CONEXONCONNECT.COM

NOTICE

Kenergy Corp. ("*Kenergy*") made a tariff filing to the Kentucky Public Service Commission ("*Commission*") on June 25, 2026, filing a new Interim Energy Adjustment (IEA) tariff, along with related changes to its various tariffs, and the tariff table of contents. Kenergy is providing this notice pursuant to 807 KAR 5:011 Section 8. The issue date of the new and revised tariffs is the date the tariff changes were filed, June 25, 2026, and the tariff changes have a proposed effective date of September 1, 2026.

In its final Orders in PSC Case Nos. 2024-00141 and 2024-00149, the Commission found that Big Rivers Electric Corporation ("Big Rivers") should include sales to Nucor Corporation in the calculation of the Fuel Adjustment Charge ("FAC"), which would have the effect of Big Rivers not recovering the fuel and purchased power costs it incurs for service to Nucor Corporation through the FAC. The Commission further found that "because reasonable costs to serve Nucor are eligible for possible recovery by BREC...BREC may recover these reasonable costs through the proposed 'Interim Energy Adjustment' tariff, which will appear as a separate line item on monthly bills." Big Rivers filed the new IEA tariff pursuant to the Commission's direction in those cases.

The proposed changes to the tariffs are simply to add a reference to the IEA tariff in those tariffs, including the sample invoices. As the IEA is a new tariff schedule, there are no present rates for service under this tariff. It will be a variable charge based on the Nucor-related fuel and purchased power costs not recovered from the FAC as a result of including Nucor sales in the calculation of the FAC. Because costs are simply being moved from the FAC to the new IEA, there should be no net effect from the proposed tariff changes.

A person may examine this tariff filing at Kenergy's headquarters located at 6402 Old Corydon Road, Henderson, KY, 42420 and district office located at 3111 Fairview Drive, Owensboro, KY, 42303, during normal business hours. Additional information may also be accessed via Kenergy's website at https://www.kenergycorp.com. A person may also examine this tariff filing at the Commission's offices located at 211 Sower Boulevard, Frankfort, KY, Monday through Friday, 8:00 a.m. to 4:30 p.m. (Eastern) or through the Commission's website at http://psc.ky.gov. Comments regarding this tariff filing may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY, 40602.

The rates contained in the new tariff are the rates proposed by Kenergy, but the Public Service Commission may order rates to be charged that differ from Kenergy's proposed tariff.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial mailing of this notice, the Commission may take final action on the tariff filing.

Tim Lindahl
President and CEO

All Kenergy offices will be closed Monday, September 7, in observance of the Labor Day holiday.

We hope you enjoy a safe holiday weekend!

TEGUH CAHYONO/ADOBE STOCK

THE MEADE COUNTY RECC GUIDE TO

Understanding Your Energy Bill

Meade County RECC

Toll Free 1-877-276-5353
Brandenburg Office 270-422-2162
Hardinsburg Office 270-756-5172

PO Box 489 • Brandenburg, KY 40108

Bill Date: 05/29/26 Cycle: 2

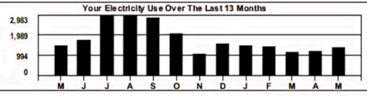
Account	Account Name	Service Address	Type
			HOUSE

Service From	To	Meter	Days	Meter Reading Previous	Present	Kilowatt Usage	Multiplier	Rate	Location Number	Class	Charges
04/23/26	05/23/26		30	50969	52329	1360	1	101		20	

Previous month's balance	$211.46
Payment - Thank You	-$211.46
1 Base Charge $0.850 per day x 30 days = $25.50	$25.50
2 KWH Charge 1360 KWH x $0.0976960 = $132.87	$132.87
3 Fuel Adjustment Clause (0.025754)	$ 26.27
4 *NEW IN FALL 2026:* Interim Energy Adjustment	$ 8.76
5 Non FAC PPA	$9.76
6 Mbr Rate Stability Mechanism	-$2.69
7 Environmental Surcharge (0.0103387)	$14.06
8 1 400W MVFL Unmetered	$ 0.00
9 3% School Tax	$6.44
Total Current Charges	$220.97
DRAFT SCHEDULE 06/18 Total Amount Due	$220.97

Previous Balance	$0.00
Total Due By June 18, 2026	$220.97
Penalty Amount	$0.00
Amount Due After Due Date	$220.97

Your Electricity Use Over The Last 13 Months



Pay your bill at www.mcrecc.com

Comparisons	Days	KWH Used	AVG KWH/Day	Cost Per Day
Current	30	1360	45	$6.45
Last Month	31	1180	38	$6.04
Year Ago	19	1442	76	$10.13

RETAIN THIS COPY FOR YOUR RECORDS

DRAFT SCHEDULE 06/18 KY01240F

Meade County RECC

PO Box 489 • Brandenburg, KY 40108-0489

Account Number	111120-005
Amount Due	$220.97
Bill Due Date	June 18, 2026
Penalty Amount	$0.00
Total Due if Paid Late	$220.97
Amount Enclosed	

To pay by credit card or check, please see reverse.
Please enter any address or phone number corrections in the space below.

MEADE COUNTY RECC Cycle: 2
PO BOX 489
BRANDENBURG KY 40108-0489

1. BASE CHARGE

This is a fixed charge of about 85 cents per day that covers the basic cost to be a cooperative member and receive electricity service to your home, like linemen repairing an outage. This charge can vary slightly depending on the number of days included on a bill, but it does not change based on your power usage.

2. KILOWATT-HOUR CHARGE

This is the electricity used in your home. The charge is currently about 9.8 cents per kilowatt hour of power used during the billing month.

POWER SUPPLY ADJUSTMENTS:

Big Rivers Electric Corporation, Meade County RECC's partner cooperative, generates electricity from Western Kentucky power plants. Big Rivers makes the power, and Meade County RECC delivers it to your home. The following charges are based on the cost of making electricity.

3. FUEL ADJUSTMENT CLAUSE (FAC)

This charge covers the fluctuating cost of the fuel (coal, gas, and other fuels) used to generate electricity at Big Rivers' power plants in Kentucky. The FAC charge is based on your usage. The more electricity you use, the higher your FAC charge. FAC charges are applied with a delay of about two months.

4. INTERIM ENERGY ADJUSTMENT (IEA)

Starting with bills you receive in fall 2026, the current FAC rider will be split into two separate line items: the FAC and the Interim Energy Adjustment (IEA). This split will not increase or decrease your bill. The total amount collected remains the same — it will simply be displayed differently.

The IEA reflects certain fuel and power costs from a fixed-rate power agreement for a large industrial member. Since industrial members use significant amounts of electricity, their participation helps spread the costs of system improvements. The agreement supports major economic growth for our region and helps stabilize rates for all members.

5. NON FAC PPA

This charge includes the cost of energy purchased off the power grid market, rather than generated at a local power plant. For example, when a Big Rivers plant is shut down for maintenance. The Non-FAC charge is based on your usage. The Non-FAC PPA rate is adjusted once per year, typically in the fall, and remains consistent for 12 months.

6. MEMBER RATE STABILITY MECHANISM

This is a bill credit, not a charge. Big Rivers Electric Corporation receives transmission revenue each month. As a not-for-profit power provider, Big Rivers then gives a portion of that revenue to Meade County RECC Member-Consumers as a credit on your power bill.

7. ENVIRONMENTAL SURCHARGE

This charge reflects the cost of equipment and other expenses needed to comply with EPA regulations for power plants. The Environmental Surcharge is calculated based on your energy usage.

ADDITIONAL CHARGES

8. SECURITY LIGHTING

This is an example for security light billing. Not applicable to every Member-Consumer.

9. SCHOOL TAX

A Kentucky school tax is collected on your monthly energy bill. Meade County RECC does not control this tax.

MORE INFORMATION

Want to compare your energy usage each month? A chart depicting your kilowatt-hour (kWh) usage during the past 13 billing cycles is included at the bottom of your bill. This section also contains your average daily kilowatt-hour usage and the average cost per day.

What's on Your Bill? A Guide to Energy Charges

When you open your monthly energy bill, you may notice several different charges. While some of these charges can vary from month to month, each line represents one piece of the cost to generate, transmit, and deliver reliable electricity to your home.

As a consumer-member of Meade County RECC, you are served by a local, not-for-profit utility committed to providing dependable and affordable power. Meade County RECC's not-for-profit generation and transmission partner, Big Rivers Electric Corporation (Big Rivers), produces most of the electricity members need for Meade County RECC. They do this by generating at power plants located in Western Kentucky and transmitting the electricity across high voltage lines to Meade County RECC substations.

The different line items on your bill are designed to keep costs fair and equitable over time. The line items on your bill are broken down into distribution charges that Meade County RECC recovers and generation and transmission costs that get directly passed on back to Big Rivers. Below explains how those charges are broken down.

Breaking Down Your Bill

Here's a closer look at the portion of Meade County RECC charges:

- **Customer Charge:** This is the basic cost to provide electric service, covering infrastructure such as poles and wires. This is more of a fixed monthly charge to cover our fixed monthly costs outside of kilowatt-hour (kWh) usage. Regardless of how much power a consumer-member uses at their home each month, we must cover our costs for facilities that have the electricity ready for you to use twenty-four hours around the clock.
- **Kilowatt-Hour Charge:** This reflects the amount of electricity you use each month. Meade County RECC keeps some of this and a portion of this is passed through directly back to Big Rivers.

Four bill riders are designed to cover the cost of Big Rivers generating and delivering electricity. These charges are passed on directly to consumer-members. One credit also appears monthly. A breakdown is below.

- **Fuel Adjustment Clause (FAC):** This charge includes the cost of fuel to produce electricity at Big River power plants. The FAC charges include coal, natural gas, petroleum coke and start-up fuel to operate Big Rivers' power plants.
- **Non-Fuel Adjustment Clause (Non-FAC PPA):** This charge generally includes the cost of power that Big Rivers must purchase, rather than generating at their power

plants. For example, when a power plant is shut down for maintenance, Big Rivers will have to purchase some or all their power from the market. This charge also includes hydro power that Big Rivers purchases from the Southeaster Power Administration.

- **Environmental Surcharge:** This reflects the cost of equipment and expenses Big Rivers incurs as it complies with EPA regulations regarding power plant emissions.
- **Interim Energy Adjustment:** This is a new line item on the bill; however, it is not an additional charge. Your bill will not increase or decrease due to this new line item. This is a portion of the existing FAC that will be split out separately on the bill for transparency. This allocated portion broken out from the FAC reflects specific fuel costs tied to an agreement with a large industrial member. The agreement to locate this large industrial member to the area supported major economic growth to the region and helped stabilize rates for Big Rivers.
- **Member Rate Stability Mechanism (MRSM):** This credit returns a portion of Big Rivers' margins to cooperative members - one of the benefits of being part of a member-owned utility, like Meade County RECC.

Why Costs Can Change

So, you may hear from Meade County RECC periodically that we do not frequently adjust our rates. Historically, we only adjust rates, when necessary, every three to five years. And they are typically a very modest rate adjustment in the form of two to three percent. What is not taken into consideration are the monthly fluctuations in the FAC, Non-FAC PPA, and Environmental surcharges. For many years, those fluctuations were relatively small. In some months, the non-FAC rider even acted as a bill credit. In recent years, however, energy markets have become more volatile. Fuel costs and electricity prices swing significantly, often influenced by the weather. Extreme temperatures, whether very hot or very cold, can drive up energy demand, increasing the cost of generating and purchasing electricity.

Managing Costs and Supporting Members

Earlier this year, Kentucky lawmakers moved to allow power producing utilities such as Big Rivers to spread fuel costs over a longer period, which should help minimize sudden bill increases or decreases from month to month. For example, The FAC charge varies each month and lags by two months. So, when January's cold snap came through and winter storm Fern hit, you didn't see the FAC charge for that until your March bill. I know that has consumer-members sometimes scratching their heads in March as to why their bill was so high when it was a relatively mild month of weather in March. With the ability soon to “smooth” and average these costs out over a period of time instead of billing on a two-month lag, consumer-members should hopefully see a more stable bill from month to month.

Big Rivers and Meade County RECC also continually work to manage costs responsibly. Bill charges are regularly reviewed by the Kentucky Public Service Commission to ensure accuracy and fairness.

For more information about your bill, helpful energy-saving tips, or available payment assistance programs, visit the Meade County RECC website.

IN THE MATTER OF:
AN ELECTRONIC EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF BIG RIVERS ELECTRIC CORPORATION FOR THE SIX-MONTH BILLING PERIOD ENDING JANUARY 31, 2026
CASE NO. 2026-00089

RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION DATED JULY 29, 2026

August 14, 2026

Item 7) ***Refer to BREC's response to Staff's Second Request, Item 10a. BREC maintains that during the six-month review period ending January 31, 2026, that no incremental environmental costs were incurred to serve the Nucor load. Explain whether this accounts for the additional environmental capital and O&M expenses as provided in the BREC's Response to BREC's Response to Staff's First Request, Item 3.***

Response) This accounts for the environmental capital and O&M expenses as provided in BREC's Response to the Staff's First Request, Item 3. Those expenses would have occurred regardless of Nucor's load as they were to comply with environmental regulations. See also, Big Rivers' response to Item No. 1 of this request.

Witness: Christopher A. Warren