



An Energy Conversation: Fuel Adjustment Clause

People are asking lots of questions about energy. Here are some simple answers that co-op staff can give to questions about the fuel adjustment clause.

Neighbor: What's the fuel adjustment clause?

Employee: It's the cost of coal and natural gas to run power plants, and purchased power.

Neighbor: Gas prices have dropped dramatically, but the fuel charge hasn't. Why?

Employee: It has nothing to do with the cost of gas for our trucks. The fuel charge is the cost of coal, natural gas and power purchases.

Neighbor: Why does it go up and down so much?

Employee: Costs for coal, natural gas and purchased power vary, along with weather. Changes in weather can dramatically change the fuel charge.

Neighbor: Who decides what the charges are?

Employee: Our power supplier uses a formula defined by state regulation. Every penny goes

to our supplier. State regulators make sure only proper expenses are included.

Neighbor: Is there anything I can do?

Employee: 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.

Neighbor: Can the co-op help me with that?

Employee: We offer efficiency programs, provide free energy audits, and you can get free energy tips from us. Go to www.simplesavings.coop to learn more.

