

Energy Cost Adjustment (ECA) Q&As

Customer Questions

Is this a new charge?

No. The costs associated with the purchase and production of power have always been a part of your bill, included in the energy charge. The difference is that these costs are now listed separately in an effort to assist you in managing your energy costs.

What is an ECA?

An ECA is a method of billing costs incurred by KCP&L in producing and purchasing enough electricity to meet customer demand. This cost is offset by the sale of electricity to other utilities during times of low customer demand.

The ECA billing appears as a separate line item on your bill for each month during your billing period. Each line displays the total usage during the month, the ECA price per KWH for that month, and the total adjustment amount (see example above).

How is my ECA charge determined?

The ECA charge is calculated by multiplying the monthly ECA factor by the KWH used during the month. The ECA factors for the first quarter of 2008 are noted on your bill and can also be found on our website at www.kcpl.com/about/ratesrules.html

How is the ECA factor calculated?

KCP&L forecasts the cost that will be incurred in producing and purchasing power on a quarterly basis less any profits received from the sale of electricity to other utilities to determine the ECA factor for upcoming months.

What if the ECA factor is too high?

KCP&L in conjunction with the Kansas Corporation Commission will perform an annual review to ensure customers are not over or under billed. Any variance from the actual costs incurred will be corrected in future ECA factors. These corrections should be minimal due to frequent forecast updates and will occur on an annual basis.

How much is the ECA?

Since the ECA is based on the costs to produce and purchase monthly energy, the amount you are billed will be different each month; usually highest in summer and lowest in winter. The current ECA rate will be posted on our website at www.kcpl.com/about/ratesrules.html

Is my electric bill going to go up?

The Kansas Corporation Commission approved a rate increase that became effective January 1, 2008. As a result of this approval, you will see an increase in your bill as compared to last year, if your usage remains the same.

How can I manage my energy costs?

KCP&L offers many tips, programs and services to help you make your home and business more energy efficient. For more information, call us at 816-471-5275 or visit www.kcpl.com.

Why is KCPL raising rates?

The rate increase is necessary to recover costs associated with the Comprehensive Energy Plan (CEP). The CEP will supply affordable, reliable and clean energy to meet the needs of our growing customer base for years to come and maintain our region's ability to retain and create jobs through economic growth. The revenue we are currently seeking is for KCP&L investments in the CEP and rising operating costs. To learn more about the CEP, please visit our website at www.kcpl.com.

What is the impact on low income?

The ECA should have little impact on the amount of the customer bill as these types of cost were previously included in the energy portion of your bill. The difference is that your bill will now reflect these changing costs from month to month instead of billing a level charge each month.

What can be done to curb energy costs?

KCPL has simple, energy-efficiency programs designed to help you improve the comfort and energy efficiency in your home, while lowering your monthly energy bill. Please see our website at www.kcpl.com for more information or contact our Customer Service at 474-5275.

Will the taxes and fees increase too?

Taxes and fees are based on the amount of your bill. When your bill goes up, the associated taxes and fees increase. When your bill goes down, the taxes and fees decrease.

What is the purpose of the ECA charge?

Fuel costs account for a significant percentage of our total cost to produce electricity. The price of coal, and purchased power we have to buy during times of peak demand, as well as changes in our off system sales revenue are all contributing factors to our fuel costs.

An ECA is a method of billing costs incurred by KCP&L in producing and purchasing enough electricity to meet customer demand. This cost is offset by the sale of electricity to other utilities during times of low customer demand. These costs have always been a part of your bill, included in the energy charge. The difference is that these costs are now listed separately in an effort to assist you in managing your energy costs.

Why is there an ECA charge every month on my bill?

(Same answer as above)

What can be done to reduce the ECA charge on my bill?

The ECA is based on the amount of electricity you use. If you reduce your usage, the ECA will also be reduced.

How much is this charge increasing my bill per year?

The ECA should have little impact on the amount of the customer bill as these types of cost were previously included in the energy portion of your bill. The difference is that your bill will now reflect these changing costs from month to month instead of billing a level charge each month.

What happens if I don't pay the ECA charge? Can my service be disconnected for it?

Yes.

Is everyone being charged an ECA?

All Kansas customers will have an ECA listed separately on their bills. In Missouri, this cost is still included as part of the energy charge.

Haven't I been paying for Fuel Costs all along?

Yes. The costs associated with the purchase, production, and sale of power have always been a part of your bill, included in the energy charge. The difference is that these costs are now listed separately in an effort to assist you in managing your energy costs.

What is the difference between the Customer Charge and ECA?

The customer charge is to cover costs associated with supplying electrical service to the customer. The ECA is designed to recover costs associated with producing or buying the electricity supplied.

Why is there a rate increase and an ECA charge? Is this a way for KCPL to collect more money from the consumer?

No. Our rates and the ECA are set through the approval of the Kansas Corporation Commission and are designed to recover the approved costs of providing electric service to our customers. The rate increase recently approved is necessary to recover costs associated with the Comprehensive Energy Plan (CEP). The CEP will supply affordable, reliable and clean energy to meet the needs of our growing customer base for years to come and maintain our region's ability to retain and create jobs through economic growth. The revenue we are currently seeking is for KCP&L investments in the CEP and rising operating costs.

An ECA is a method of identifying and billing costs incurred by KCP&L in producing and purchasing enough electricity to meet customer demand. This cost is offset by the sale of electricity to other utilities during times of low customer demand. Annual adjustments to the ECA will ensure customers are not over or under billed.

Employee Questions

What do the groups need to be relaying to their customers?

It is very important that employees provide consistent answers to customer inquiries about the ECA charge. In an effort to assist employees, we will be posting ECA Q&As on the Intranet.

Who needs to be contacted if there are questions?

If there are questions that are not addressed in the ECA Q&A, you should contact the Marsha Troy in Regulatory Affairs for the appropriate response.

How many more rate changes will there be this year?

None

Are more rate changes coming in the future?

Yes. Our Comprehensive Energy Plan provides for two additional rate cases, one in 2008 and another in 2009. Due to the costs of the CEP projects, it is likely that rates will increase as a result of those cases.