

Table 1. Sample Electric Bill for a Commercial Customer

Basic Charges						Notes
Customer Number: 1234567890 12345678901 - General Service Secondary - GS1 01F						
Customer Charge					\$3.25	1
BGS Energy Charges	2,322	KWH	x	0.108803	\$252.64	2
BGS Transmission Charges	1,121	KWH	x	0.005348	6.00	3
	1,201	KWH	x	0.005071	6.09	
Total BGS Transmission Charges				12.09	\$12.09	
BGS Reconciliation Charge	2,322	KWH	x	-0.008682	-20.16	4
Delivery Charges	4.9	KW	x	3.160000	15.48	5
	10	KW	x	0.000000	0.00	
	1,000	KWH	x	0.057366	57.37	6
	1,322	KWH	x	0.004958	6.55	
Total Delivery Charges				79.40	\$79.40	
Non-Utility Generation Charges	1,000	KWH	x	0.016960	16.96	7
	1,322	KWH	x	0.016960	22.42	
Total Non-Utility Generation Charges				39.38	\$39.38	
Societal Benefits Charges	2,322	KWH	x	0.005707	\$13.25	
Transitional Assessment Charge	2,322	KWH	x	0.002928	\$6.80	
System Control Charge	2,322	KWH	x	0.000079	\$0.18	
Security Deposit Interest					-3.06	
Total Charges					\$383.78	8
Meter Number	S0987654321					
Present KWH Reading	58,836					
Previous KWH Reading	56,514					
Kilowatt Hours Used	2,322					8
Measured Load in KW	11.9					5
Billed Load in KW/KVA	14.9					

¹Customer charge is the fixed monthly service charge.

²Energy Charges, based on **usage**, are typically the largest portion of the bill. This is the fee paid to the generator of the electricity for producing energy (BGS is “Basic Generation Service”).

³The two different transmission charges reflect a rate change in the middle of the billing period, in this case due to a difference in rates from summer to winter.

⁴This charge is an adjustment to compensate for the difference between what customers paid for basic generation services and what the utility actually paid the suppliers during the previous month.

⁵The first two delivery charges are the **demand** charges. The method of determining demand can be quite complicated. To understand exactly how a utility calculates **demand**, read the utilities service classification description or contact the utility. Whenever the cost for demand charges is a significant portion of the total bill it is an indication that there may be large equipment that operates for relatively short periods of time. An example might be an irrigation pump. When demand charges are large, consider contacting the utility to explore alternative rate structures. Also, examine the opportunities for reducing peak demands by using smaller equipment or shifting equipment operation to off-peak hours.

⁶In this case, the utility has a relatively large charge for the first 1,000 kilowatt-hours of electricity delivered during the billing period to cover some of the fixed cost of delivering electricity.

⁷The non-utility generation charges and many of the other charges may be described in the notes and definitions included with the electric bill. They are also described in the utilities published rate tariffs. Miscellaneous charges are often small, typically mandated by state government or public utility boards. Most utilities will provide a fact sheet that explains typical charges and rates.

⁸Dividing total charges by Kilowatt Hours used gives the cost per unit (in this case 16.5¢ per kilowatt-hour).