

Understanding Your Electric Bill

Monthly Fee • Demand • Energy

As a not-for-profit electric utility, Custer Public Power District charges what it costs to provide safe, reliable electric service — not to generate profit.

Your bill helps pay for 3 things



1. Monthly Fee

Keeps your service connected and ready

- A fixed charge that stays the same each month
- Helps cover meters, billing, customer service, power lines, substations, maintenance, equipment, and crews
- Applies even if you use little or no electricity



2. Demand Charge (kW)

Your highest electricity need at one time

- Measures how fast electricity is being used
- Based on the highest rate of use during the billing period
- More equipment running at once = higher demand



3. Energy Charge (kWh)

Your total electricity use over time

- Measures how much electricity you use during the billing period
- Based on total kilowatt-hours (kWh) used
- A clearer monthly fee and demand charge can simplify the energy rate

In plain English



Monthly Fee =
Keeps you connected



Demand =
How fast electricity is used

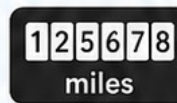


Energy =
How much electricity is used

Think of it like driving a car



Demand is
like speed



Energy is
like miles traveled

Example:
80 kW for 1/2 hour
= 40 kWh



Why demand matters

Customers who use several large appliances or pieces of equipment at the same time place more demand on the electric system than customers who use the same amount of electricity more gradually.

Electric Bill FAQ

Quick answers about monthly fee, demand, and energy



Here are answers to the questions customers ask most often.

1 Why do I pay a monthly fee even when I use very little electricity?



Because the electric system must stay connected and ready for you 24/7. The monthly fee helps cover poles, wires, meters, substations, billing, maintenance, equipment, and customer support.

2 What does demand mean?



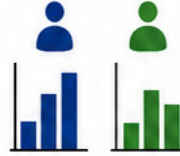
Demand is the highest amount of electricity you use at one time during the billing period. It is measured in kilowatts, or kW.

3 What does energy mean?



Energy is the total amount of electricity you use over time. It is measured in kilowatt-hours, or kWh.

4 Why can two customers use the same kWh but have different demand charges?



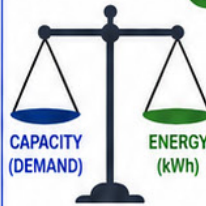
They may use electricity differently. Running several large loads at the same time creates more demand than spreading that use out over a longer period.

5 How can I help manage demand?



When practical, avoid running several large appliances or motors at the same time. Stagger loads such as air conditioning, dryers, ovens, well pumps, shop equipment, or irrigation equipment.

6 Why does the utility charge for both demand and energy?



Because it costs money both to keep enough capacity available and to supply the electricity you use. This helps recover costs more fairly based on how customers use the system.

Helpful visual

Lower demand



1 bulb x 10 hours = 1 kWh
Uses electricity more gradually

VS.

Higher demand



10 bulbs x 1 hour = 1 kWh
Uses more electricity at one time

Both examples use the same energy, but the second example creates more demand on the electric system.

Tip



If you have questions about your bill or want help understanding your usage pattern, contact Custer Public Power District.