

# 1 ENERGY CHARGE

The energy charge is the cost for the total amount of energy used in a billing period. The energy charge is determined by multiplying the total amount of electricity consumed during the billing period, measured in kilowatt-hours (kWh), by the energy charge rate.

# 2 ENERGY COST ADJUSTMENT (ECA)

The ECA is a pass-through variable charge or credit to adjust for differences when wholesale power costs from our power provider either exceed, or fall below, the base rate. This allows the cooperative to respond to market fluctuations without implementing a rate change. Victory Electric does not make a profit on the ECA.

**S**ome members may notice the new informational line item, Demand Total, on their bills. As the electric industry adapts to new technologies, Victory Electric wants to ensure we are positioned to support those changes and opportunities. Currently, for most tariffs, Victory Electric uses a two-part rate structure, including a service availability charge, and an energy charge.

# 3 DEMAND CHARGE

Demand is a charge to appropriately allocate costs to build, maintain, or upgrade the infrastructure (power lines, transformers, substation upgrades, etc.) needed to ensure enough energy is delivered to meet the members' needs. Demand is not the total amount of energy used; it is the rate at which it is being used. The charge is determined by the maximum demand of energy at any point within the billing cycle multiplied by the determined rate for a members' specific rate class.

# UNDERSTANDING YOUR ENERGY CHARGES

	CURRENT MONTH ENERGY CHARGE	AMOUNT
1	Energy Charge 831 KWH @ 0.111778	92.89
2	Energy Cost Adj 831 KWH @ 0.00048	0.40
3	Demand Total 5.422 KW @ 0.00	0.00
4	Service Availability Charge	20.00
5	Taxes and fees	8.04
	<b>Current Month Energy Charge</b>	<b>121.33</b>

What is demand? Demand is the rate which a person utilizes electricity. Demand increases when many large or power-hungry appliances operate simultaneously. In these instances, Victory Electric must have sufficient infrastructure to meet the power requirements of the member's instantaneous demand. If a member is able to spread their use over a longer time period, the demand charge can be reduced.

# 4 SERVICE AVAILABILITY CHARGE

This is the minimum charge to be connected to the distribution lines. The service availability charge covers the cooperative's operating costs and is reflective of the investment in the poles, wires, transformers and other equipment it takes to provide you with electric service.

## Why is the service availability charge different for residential, commercial, industrial, and other rate class members?

Different kinds of electric users require different configurations of lines, transformers and substations. Each configuration bears different costs, which are allocated appropriately to each rate class.

# 5 TAXES & FEES

All bills include a pass through of taxes and fees attributable to the sale of electric service for the service location unless satisfactory proof of exemption is provided. Victory Electric collects and remits these taxes and fees directly to the appropriate government agency. Victory Electric does not make a profit on the collection of taxes and fees.