



RESIDENTIAL & COMMERCIAL RATE COMPONENTS

Our residential and commercial electric rates are made up of three components - Service Charge, Energy Charge, and PPA Charge. Each component is described below.

SERVICE CHARGE

The service charge is applied to each metered service. It is a constant monthly charge and does not include any energy consumption. This charge is intended to cover the utility's costs of maintaining and keeping your customer account records active (data processing, meter reading, billing, etc.).

ENERGY CHARGE (KWH)

The energy charge is the amount you pay for each kilowatt-hour (kWh) used. It is intended to cover costs to purchase and deliver safe and reliable electricity to your

home. It includes costs for operation and maintenance of the local electric distribution system, transmission and production costs, and other energy delivery expenses. While this rate does not change, it is multiplied by the amount of electricity (kWh) consumed, so the amount you pay fluctuates based on your monthly usage.

PPA (PURCHASE POWER ADJUSTMENT) CHARGE

The PPA is a variable charge that changes based on the actual cost the utility incurred for purchasing power for the month. The PPA charge can be positive (increases your bill) or negative (decreases your bill), depending on the actual cost of power compared to the average cost of power budgeted. This ensures that the utility does not overcharge or undercharge customers for total electricity used.

QUESTIONS? CONTACT US TO LEARN MORE.



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At Independence Light & Power, Telecommunications, we join forces with other local, not-for-profit utilities through WPPI Energy to share resources and lower costs.

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SMALL, LARGE, & INDUSTRIAL POWER SERVICE RATE COMPONENTS

The service charge, distribution demand charge, demand charge, energy charge and PPA charge make up the different rate components. Each component is described below.

SERVICE CHARGE

The service charge is applied to each metered service. It is a constant monthly charge and does not include any energy consumption. This charge is intended to cover the utility's costs of maintaining and keeping your customer account records active (data processing, meter reading, billing, etc.).

DISTRIBUTION DEMAND CHARGE (kW)

This charge is for the highest monthly maximum kW demand measured in the current month or the previous 11 months. It includes costs associated with maintaining a robust infrastructure that makes up the local electric grid at a scale that enables all end users to receive the amount of electricity they need, whenever they need it.

DEMAND CHARGE (kW)

This the maximum kW demand consumed for the current month. This includes the fixed costs associated with

generating electricity and moving it from the generating station to the ILPT system.

ENERGY CHARGE (kWh)

The kWh energy charge is the amount you pay for each kilowatt-hour used. This charge is intended to cover the fuel and variable costs associated with electricity production. **For Large Power Service & Industrial Power Service** the energy charge is broken down into an on-peak & off-peak period:

On-Peak: 8:00 a.m. to 8:00 p.m., Monday through Friday, excluding holidays, specified below.

Off-Peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year's Day, Memorial Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day designated to be celebrated as such.

PPA (PURCHASE POWER ADJUSTMENT) CHARGE

The PPA is a variable charge that changes based on the actual cost the utility incurred for purchasing power for the month. The PPA charge can be positive (increases your bill) or negative (decreases your bill), depending on the actual cost of power compared to the average cost of power budgeted. This ensures that the utility does not overcharge or undercharge you for total electricity used.

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