Understanding your bill: business customers (with demand charge)

Below are explanations of the items related to your monthly electric bill. The Florida Public Service Commission (PSC) regulates FPL’s electricity rates.

**Customer charge**: A fixed monthly amount to cover the cost of the meter, billing and customer service. It is applicable whether or not electricity is used in a given month.

**Fuel charge**: The cost for fuel required to provide each kilowatt-hour (kWh) of electricity.

**Non-fuel charge** includes:
- **Base energy charge**: The costs other than fuel to produce and deliver electricity, including the cost of operating power plants and maintaining the grid.
- **Environmental Cost Recovery Clause (ECRC)**: Cost to meet environmental laws and regulations.

**Demand charge** includes:
- **Demand charge**: Includes the cost of generation and grid facilities needed to meet peak demand for electricity.
- **Energy Conservation Cost Recovery (ECCR) Charge**: Cost of programs designed to reduce electric demand and consumption.
- **Capacity Cost Recovery Clause (CCRC)**: Cost for purchasing electricity from non-FPL owned resources as well as certain nuclear-related expenses.

**Gross receipts tax**: A tax of about 2.56 percent on a customer’s electric bill that is paid to the state of Florida.

**Other taxes and fees**: Vary by area as established by the local governing body. FPL collects these costs for distribution to the appropriate entities.
- **Franchise charge**: FPL competes with municipalities and county governments for the right to serve electric customers. If a local government chooses, it can enter into a contract with FPL that enables the government to charge residents a contractual amount, the franchise fee, in exchange for its agreement to not form an electric utility for the term of the franchise.
- **Utility/municipal tax**: A tax imposed by a municipality or county government on the sale of electricity.
- **Florida sales tax**: A 6.95 percent tax levied by the State of Florida on the purchase of electricity.
- **Discretionary sales surtax**: A surtax that is charged by many Florida counties.

**NOTE**: The term “base rate” refers to the total of the customer charge, base energy charge and demand charge. It is not a separate item on the bill.

Typical 500-kW demand, 200,000 kWh Business Customer Monthly Bill in June 2020:

$15,465.08

(excludes municipal tax, franchise charge, and sales taxes where applicable)