



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.

Base 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.
- » **Storm Protection Plan Cost Recovery Clause (SPPCRC):** Cost to strengthen the grid in order to reduce restoration costs and outage times during major storms, as well as improving day-to-day service reliability.
- » **Transition Rider:** Addresses difference in costs to serve FPL and former Gulf Power customers in a reasonable manner for all customers. Transition rider will decline to zero over a five-year period, fully aligning rates by Jan. 1, 2027.

Gross receipts tax and Regulatory assessment fee: FPL pays a tax equal to 2.6% of gross electric and operating revenues to the state and the Florida Public Service Commission.

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 bill" refers to the total of the base 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 May 2024:

\$20,521.03
(and sales taxes where applicable)

