



Components of your electric bill

Many factors affect the cost of electricity, including fuel prices, changing energy demand and new government requirements such as environmental regulations. A residential electric bill consists of several components, each subject to review and approval by the Kentucky Public Service Commission (KYPSC).

The following example shows a breakdown of the costs using a 1,000-kilowatt-hour (kWh) monthly residential bill at the current rate (as of July 1, 2017).

Customer Charge	\$4.50
Base Rate	\$80.74
Fuel Adjustment Clause	\$2.90
DSM Rider	\$7.97
Other Riders*	\$1.40
TOTAL	\$88.91

*Profit-sharing mechanism and home energy assistance.

Explanations of each component listed above are located on the reverse.

An explanation of each billing component:

The electric service charge includes all of the costs involved in producing and distributing electricity. It is made up of the following five components:

Customer Charge:

The basic customer charge is a fixed monthly amount to cover the cost of maintaining your electric meter to your home or business as well as maintaining customer records, billing and other transactions affecting the account. It is applicable whether or not electricity is used.

Base Rate:

The base rate covers the costs of producing and delivering electricity to homes and businesses, including building and maintaining power plants, power lines and poles, substations, bucket trucks, employee salaries and similar costs.

Fuel Adjustment:

The fuel adjustment recovers the actual costs above or below the amount contained in the base rate of coal, natural gas and oil used to generate electricity, as well as the cost of power that Duke Energy Kentucky purchases from other generators. The charge also includes the cost of materials used in emission reduction at coal-fired power plants. Duke Energy Kentucky actively works to lower its fuel costs and makes no profit from the fuel component of the bill. The fuel charge is reviewed semi-annually by the KYPSC and adjusted to reflect changes in the actual costs incurred.

DSM Rider:

This adjustment recovers the costs of offering demand side management (DSM). All programs are approved by the KYPSC to provide customers with opportunities to use electricity more efficiently. The DSM charge is reviewed annually by the KYPSC and adjusted to reflect changes in the actual costs incurred.

Other Riders:

Various riders reflect changes in base rates for off-system power sales and the Home Energy Assistance Program.

Want more information about your bill? Please visit duke-energy.com/kyrates.