

# **Electric Service Glossary:**

## **Capital Credits**

One of the advantages to a rural electric cooperative is receiving your share of capital credits. Any earnings left over after expenses are paid are allocated back to members as capital credits. They represent your share of ownership in YOUR COOPERATIVE.

## **Customer Related Fixed Charge**

This is a fixed cost that is paid every month. This fee is designed to recover the basic cost of electric service, independent of how much energy is used. It accounts for the cost of the physical assets in place (poles, wires, transformers, etc.), annual inspections, pole inspections, vegetation management, insurance, fleet, staff, property taxes and administration. Fixed Charges are incurred by the Cooperative whether 1,000 kWh or 0 kWh are used by a Member each month.

## **Demand**

The rate at which energy is consumed in a specific period. For example, if one 100 watt bulb runs for 10 hours that equals 1,000 watt hours. If ten 100 watt bulbs were running for only 1 hour that also equals 1,000 watt hours but there is more demand on the electric system with the second scenario. So if a consumer is using a lot of power over a short period of time they are putting more demand on the system. Measured in kilowatts (kW).

## **Energy Charge**

This is simply the charge for the total electric energy consumed for the month. It is measured in kWh.

## **Energy Conservation**

Reducing or going without a service in order to save energy. For example turning off a light or hanging wet clothes on a clothesline rather than drying in the electric dryer.

## **Energy Efficiency**

Using less energy to provide the same service. For example insulating a home allows a building to use less heating and cooling energy to maintain a comfortable temperature, or installing LED lights reduces the amount of energy required to attain the same level of illumination compared with using traditional bulbs.

## **Iowa Utilities Board (IUB)**

The Iowa Utilities Board (IUB) regulates utilities in the state of Iowa to ensure that reasonably priced, reliable and safe utility services are available to all Iowans.

## **Kilowatt (kW)**

A measure of power. A kilowatt (kW) is equal to 1,000 watts of electrical power. This unit is typically used to express the output power of electric motors, tools, machines, and heaters.

## **Kilowatt hour (kWh)**

A measure of energy. For example you can measure distance in units of feet, miles, kilometers and so on. Likewise you can measure energy in calories, BTU, kWh etc. In electricity a kilowatt hour (kWh) is equivalent to a power consumption of 1,000 watts for 1 hour. It is commonly used as a billing unit for electricity delivered to the consumer.

## **On-Peak Demand Charge**

On-Peak is defined as the hours during the day when electricity is most used and when power is more expensive. SIEC's On-Peak hours are 7:00-8:00 AM & 4:00-8:00 PM Monday through Friday. A household's highest demand thru the month during these On-Peak hours will be what members see as their On-Peak Demand Charge on their statement. To save money on your electric bill, shift out of or stagger usage during the On-Peak hours. (All other hours of the week and weekends, 88% of the week, are considered Off-Peak hours and member's demand during these times will not affect their bill.)

## **Watt (W)**

A unit of power energy. For example an incandescent light 100 Watt bulb on for 10 hours = 1,000 Watt-hours or 1 kilowatt (kW)