

Better Connected, **Together.**



AECC

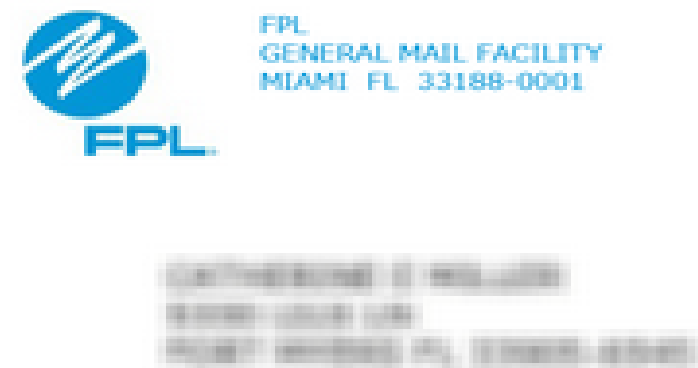
General Ratemaking – Rates

Robert Shields
Senior Director, Regulatory and Rates



**Arkansas Electric
Cooperative Corporation**

Rates



Hello Catherine D. Miller,
Here's what you owe for this billing period.

Amount of your last bill	\$8.95
Payments	-\$8.95
New charges due by Aug 10, 2020	\$8.95
Total amount you owe	\$8.95

Amount of your last bill	8.95
Payment received - Thank you	-8.95
Balance before new charges	\$0.00

NEW CHARGES

Rate: RS-1 RESIDENTIAL SERVICE

Customer charge: \$8.34

Non-fuel energy charge:

First 1000 Kwh \$0.066840 per kWh
Over 1000 kWh \$0.077460 per kWh

Fuel charge:

First 1000 kWh \$0.018840 per kWh
Over 1000 kWh \$0.028840 per kWh

Electric service amount 8.34

Gross receipts tax 0.21
Franchise charge 0.40

Taxes and charges 0.61

Total new charges \$8.95

Total amount you owe \$8.95

Jul 17, 2020 Electric Bill

For: Jun 17, 2020 to Jul 17, 2020 (30 days)

Service Address

1000 S. 1st St.
FORT MYERS, FL 33901

Account Number 0000000000000000

Questions? Contact Us

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Meter Summary

Meter reading - Meter 0000000000 Next meter reading Aug 18, 2020

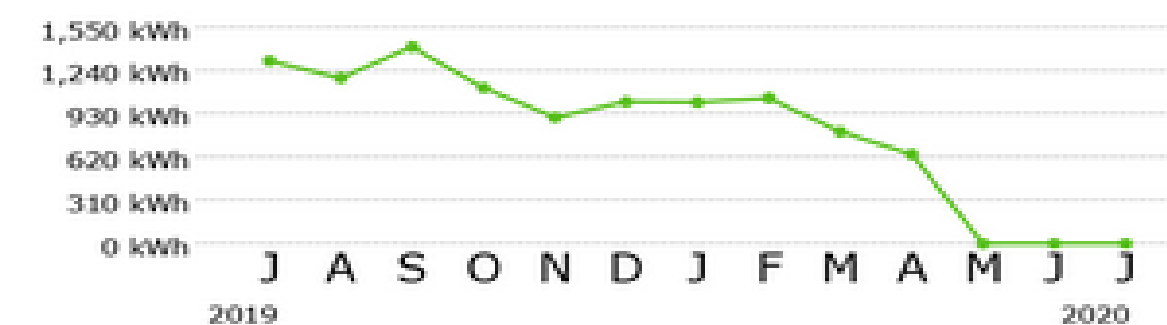
Current reading 01796
Previous reading -01039

kWh used 0

Energy Usage Comparison

	This Month Jul 17, 2020	Last Month Jun 17, 2020	Last Year Jul 17, 2019
Service to			
kWh Used	0	0	1309
Service days	30	30	30
kWh/day	0	0	44
Amount	\$8.95	\$8.95	\$142.76

Energy Usage History



Keep In Mind

- Payments received after August 10, 2020 are considered late; a late payment charge, the greater of \$5.00 or 1.5% of your past due balance will apply. Your account may also be billed a deposit adjustment.
- 757 kWh were sent to the grid this period. 757 kWh were applied to reduce your bill. Your kWh reserve increased by 0. The kWh in your reserve is 727

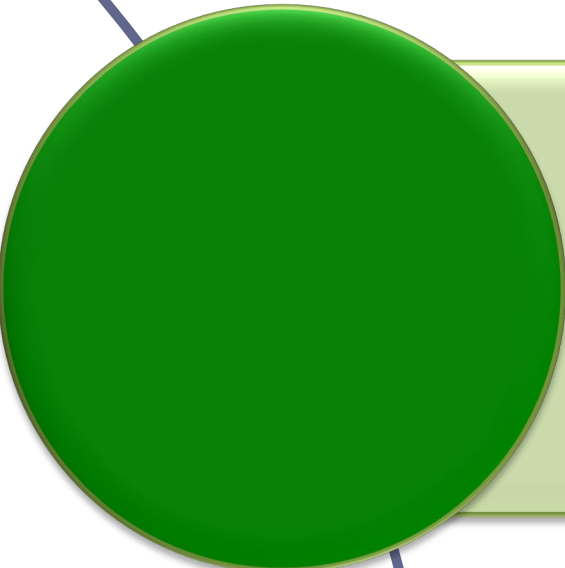
Simply – How a Rate is calculated

$$\frac{\$ \text{ (Revenue)}}{\text{Units (Usage)}} = \text{Rate per Unit}$$

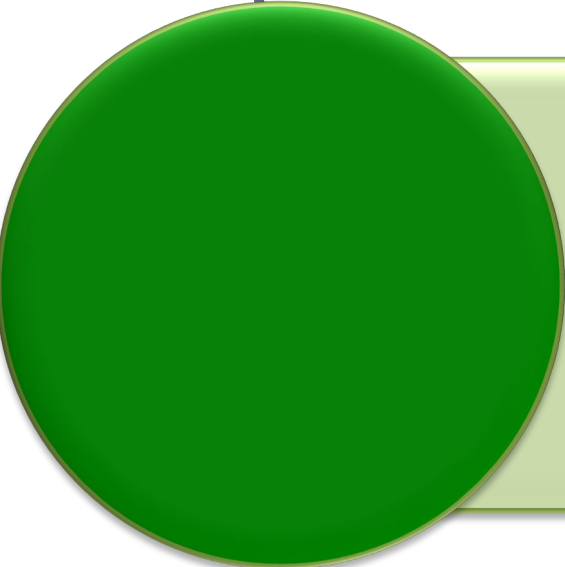
Units (Usage)

*How \$ and Units are determined is the complexity

What is Total **Revenue** Requirement?



Total Revenue Requirement is the total annual dollars the Commission allows the utility to recover collectively from its customers.



Think of Total Revenue Requirement as the total “size of the pie”



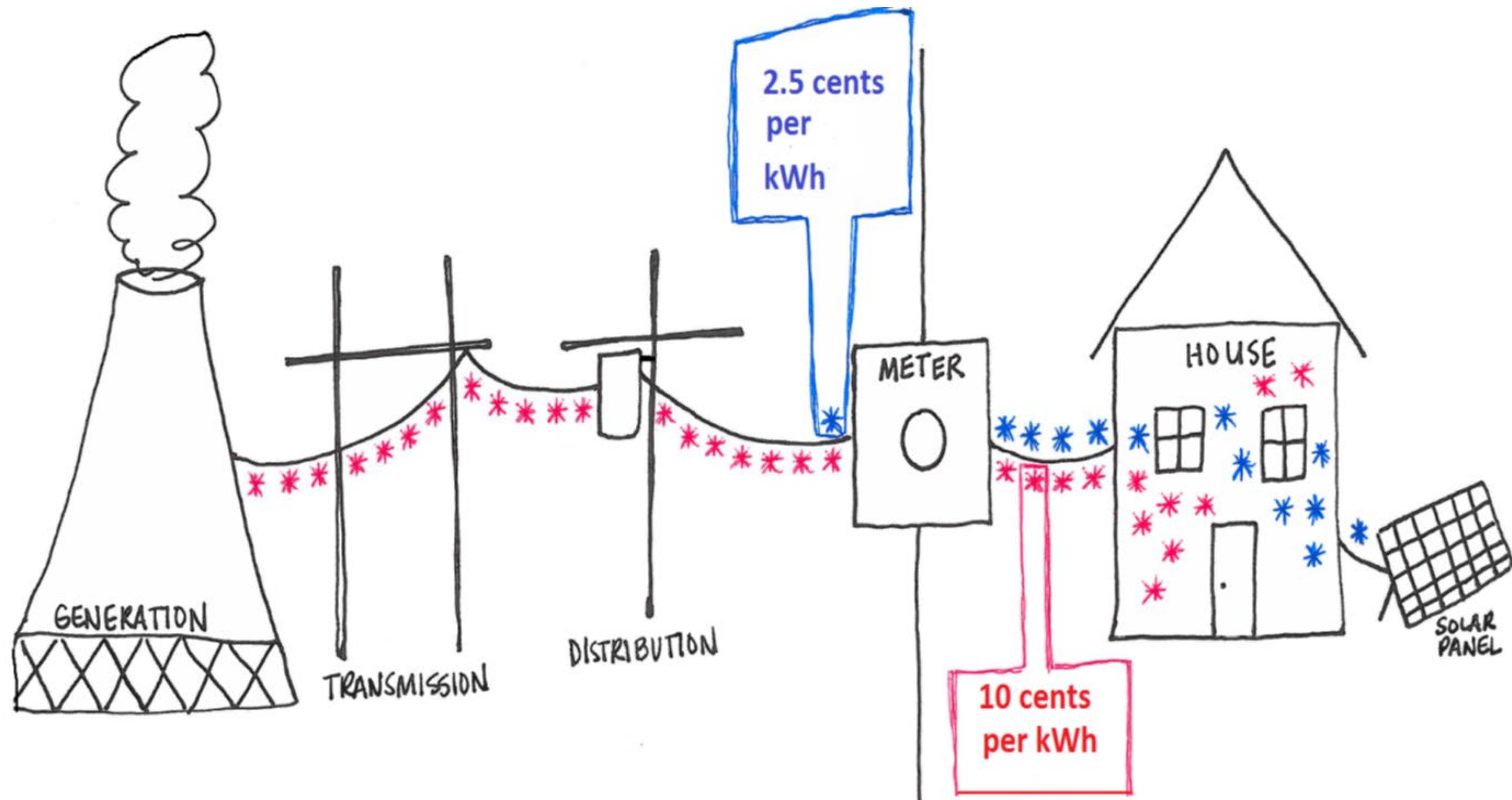
There is a three step method to split the pie

Total **Revenue** Requirement Formula

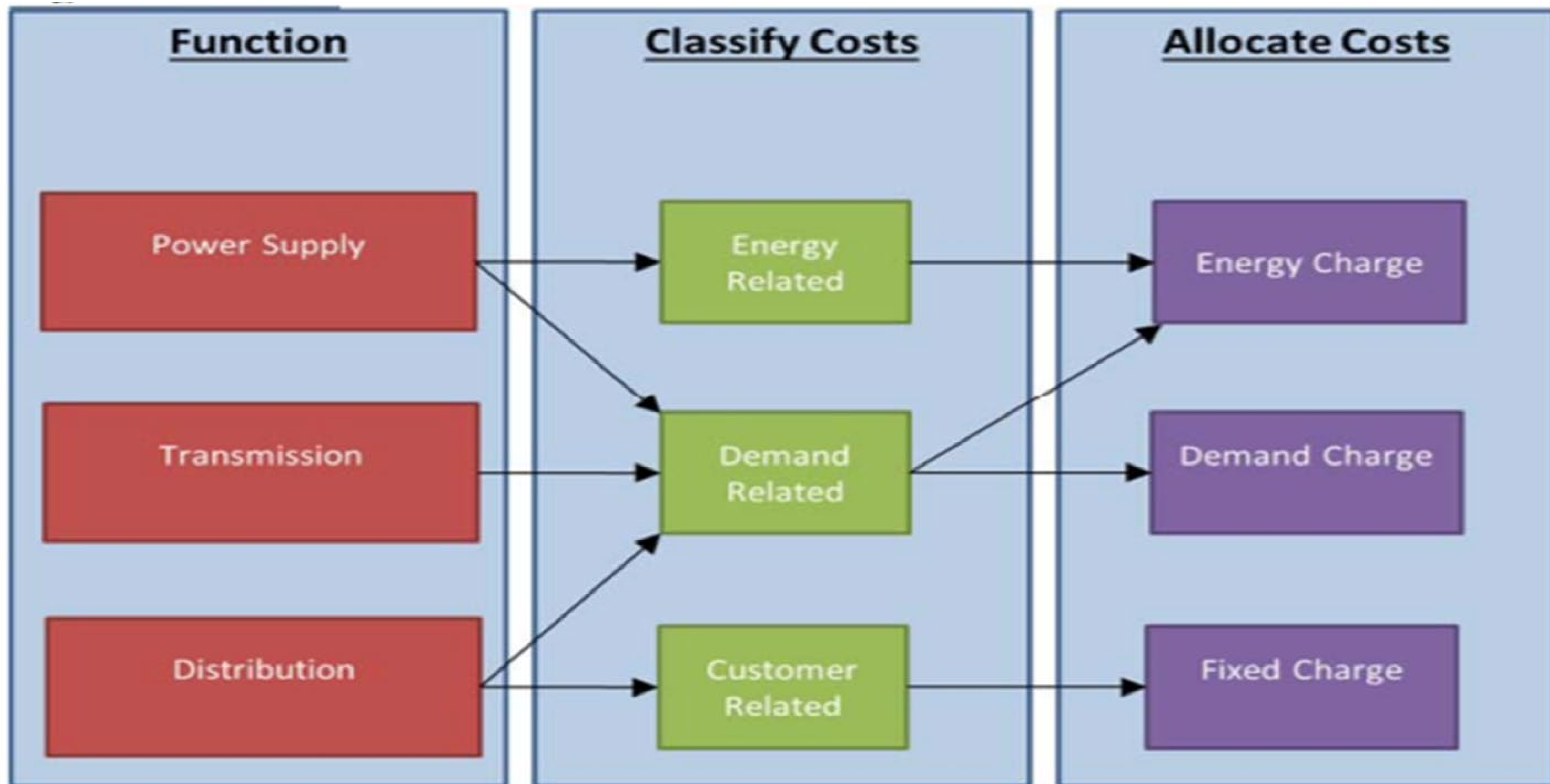
$$R = O + (P - D)E$$

- Where:
- R - Revenue Requirement
- O - Operating Expenses
 - Operations
 - Maintenance
 - Administrative and General (A&G)
 - Interest and taxes
- P - Gross plant value
- D - Depreciation
- E - Rate of Return that a utility is allowed to earn on its capital investment.

Utility Functions



Dollars (**revenue**) are put into Buckets



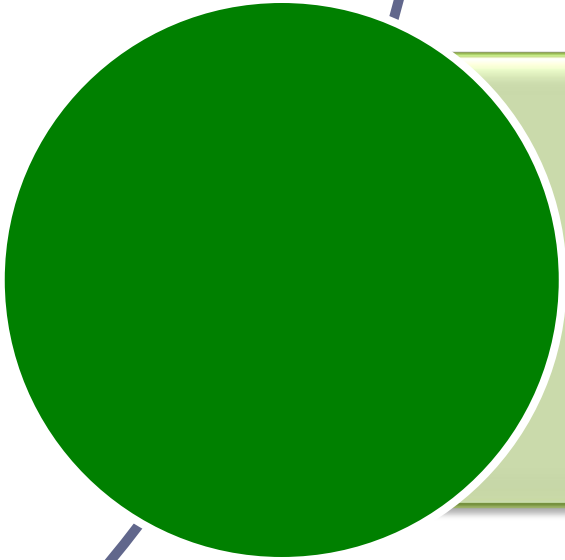
How Rates are Determined



Energy Rate = Energy Revenue divided by total energy (kWh) delivered = (\$/kWh)



Demand Rate = Demand Revenue divided by kW = (\$/kW)



Customer Charge = Customer Revenue divided by number of Customers = (\$/Customers) also known as Fixed Charge or Service Availability Charge



Questions?

Contact Info

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