

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.
- » **Temporary hurricane recovery surcharge:** 12-month charge to recover costs directly associated with storm recovery, such as FPL's response to Hurricane Matthew in 2016, as well as replenish the reserve for future storms.¹

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 charge*: Used to repay the bonds issued during the 2004 and 2005 hurricane restoration efforts and to partially replenish the storm damage reserve fund for future storms.

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.

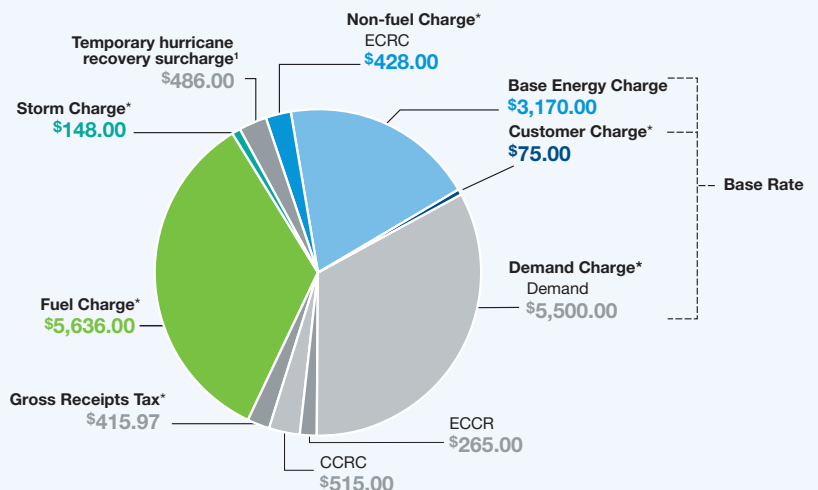
- » **Franchise charge*:** FPL competes with municipalities and county governments for the right to serve electric customers. If a local government chooses, it can enter into a contract with FPL that enables the government to charge residents a contractual amount, the franchise fee, in exchange for its 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 March 2017:

\$16,638.97

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



*Items listed on the bill

¹The temporary hurricane recovery surcharge is a 12-month surcharge that will be part of customers' bills from March 2017 - February 2018.