

**EXAMPLE A:** If your building used 10,000 kWh during the billing period (usually about a month), and your rate was \$0.10/kWh, then your *consumption* charge would be:

$$10,000 \text{ kWh} * \$0.10/\text{kWh} = \$1,000$$

## Consumption

Your electric *consumption* charge is easy to understand and calculate. *Consumption* is measured in kWh (kilowatt hours). This is a measurement of the amount of energy you use during the billing period. kWh prices vary widely. Depending on your geographic location and your utility rate plan you could be paying as little as \$0.03 or as much as \$0.30 per kWh or more.

**EXAMPLE B:** Using EXAMPLE A, and applying a *demand* charge – for instance 100 kW average 15 minute *Demand* charged at \$10/kW – the monthly bill would become:

$$10,000 \text{ kWh} * \$0.10/\text{kWh} + 100 \text{ kW} * \$10/\text{kW} = \$2,000$$

*Demand* charges just doubled this monthly bill

## Demand

*Demand* is a more complex subject. To the electric utility, *demand* represents the amount of electrical power that has to be generated at any given time. In other words, the utility has to be able to deliver enough power at any time during the day to deliver the maximum amount of power needed by all of its customers. As demand increases, more sources of power must be found – this can be very expensive. That expense is usually passed on to the utility's customer base. To the consumer, *demand* represents how fast you use energy and how efficiently you use it.

The speed at which you use electrical power is measured in kW (kilowatts). Your *demand* will vary from minute to minute as HVAC cycles, lighting, and other loads are turned on and off. The electric utility usually measures *demand* as an average of the power you draw in a 15 minute period. Very short bursts of *demand*, for instance when *demand* surges occur when electric motors turn on, will have little effect on the average 15 minute *demand*. But, longer periods of *demand* will have a big impact. For instance, leaving a large electric motor (i.e., a kitchen exhaust fan) turned on constantly will have a significant impact on your 15 minute *demand*.

The unit cost of *demand* (kW) is always much higher than the unit cost of *consumption* (kWh). *Consumption* is typically charged at a few cents per kWh. *Demand* is usually charged at a few to several dollars per kW.

**DIRECTORS**  
W. BRUCE HEIDEN, PRESIDENT  
K.C. GINGG  
BRANDON LEISTER  
JASON ROVEY  
JOHN K. VANDERWEY



**SUPERINTENDENT**  
DONOVAN L. NEESE

103 WEST BASELINE ROAD  
BUCKEYE, ARIZONA 85328  
TELEPHONE (623) 386-2046  
FAX (623) 386-4360

March 1, 2020

*Private Pumps*

To: RID Electrical Customers  
RE: Electrical Rate Changes

To meet the needs of our 2020 budget we will be adjusting our Electrical Rates. The new rates will be Effective March 1<sup>st</sup> 2020.

\$56.34 mo / account

\$6.25 / kWh

\$0.0607 / kW

No Sales tax Charged on Pumping

Please do not hesitate to contact me at 623-386-2046 with any questions.

Sincerely

Donovan L. Neese  
Superintendent

**DIRECTORS**  
W. BRUCE HEIDEN, PRESIDENT  
K.C. GINGG  
BRANDON LEISTER  
JASON ROVEY  
JOHN K. VANDERWEY



**SUPERINTENDENT**  
DONOVAN L. NEESE

103 WEST BASELINE ROAD  
BUCKEYE, ARIZONA 85326  
TELEPHONE (623) 386-2046  
FAX (623) 386-4360

*GIN*

March 1, 2020

To: RID Electrical Customers  
RE: Electrical Rate Changes

To meet the needs of our 2020 budget we will be adjusting our Electrical Rates. The new rates will be Effective March 1<sup>st</sup> 2020.

\$56.18 mo / account  
\$14.18 / kW-mo      Summer  
\$7.58 / kW / mo      Winter (Oct.-Feb.)  
\$0.0602 / kWh  
6.50% Sales tax

Please do not hesitate to contact me at 623-386-2046 with any questions.

Sincerely

Donovan L. Neese  
Superintendent

**DIRECTORS**  
W. BRUCE HEIDEN, PRESIDENT  
K.C. GINGG  
BRANDON LEISTER  
JASON ROVEY  
JOHN K. VANDERWEY



**SUPERINTENDENT**  
DONOVAN L. NEESE

103 WEST BASELINE ROAD  
BUCKEYE, ARIZONA 85328  
TELEPHONE (623) 386-2046  
FAX (623) 386-4360

March 1, 2020

To: RID Electrical Customers  
RE: Electrical Rate Changes

*Dairy*

To meet the needs of our 2020 budget we will be adjusting our Electrical Rates. The new rates will be Effective March 1<sup>st</sup> 2020.

\$59.70 mo / account  
\$11.61 / kW-mo  
\$0.0647 / kWh  
6.91% Sales tax

Please do not hesitate to contact me at 623-386-2046 with any questions.

Sincerely

Donovan L. Neese  
Superintendent

**DIRECTORS**  
W. BRUCE HEIDEN, PRESIDENT  
K.C. GINGG  
BRANDON LEISTER  
JASON ROVEY  
JOHN K. VANDERWEY



**SUPERINTENDENT**  
DONOVAN L. NEESE

103 WEST BASELINE ROAD  
BUCKEYE, ARIZONA 85326  
TELEPHONE (623) 386-2046  
FAX (623) 386-4360

March 1, 2020

*Cooler*

To: RID Electrical Customers  
RE: Electrical Rate Changes

To meet the needs of our 2020 budget we will be adjusting our Electrical Rates. The new rates will be Effective March 1<sup>st</sup> 2020.

\$54.45 mo / account  
\$10.28 / kWh  
\$0.0573 / kW  
6.30% Sales tax

Please do not hesitate to contact me at 623-386-2046 with any questions.

Sincerely

Donovan L. Neese  
Superintendent