

## Terms Used in Billing

*Kilowatt (KW)*

*Kilowatt Hour (KWH)*

*Demand*

*VARs*

*Power Factor*

### What do they Mean?

1. A Kilowatt (KW) is a measurement of electrical energy. Kilo is metric for 1000, therefore a Kilowatt is 1000 Watts
2. A Kilowatt Hour (KWH) is 1000 Watts used in one hour
  1. Example: 10 one hundred watt light bulbs burning for one hour = 1 KWH. We call this our energy charge.
3. Demand is a measurement of load in KW over the highest 15 minute period of the month. We call this our maximum load charge.
  1. Example: If a customer is a small power rate, they will not only be charged for KWH, but also for Demand. The Demand portion of the meter will register their highest 15 minute period of the month. This is when the majority of the electrical load is in use.

Lets say they have lighting at 3 KW, electric heat at 10 KW, and 3 motors at 5 KW each. If all of these are on at once for a period of time more than 15 minutes, their Demand would be 28 KW.

They would be charged for the customer charge plus the KWHS, plus 28 KW Demand (maximum load charge) plus tracker, and tax to equal the bill
4. VARs-this means Volt Amperes Reative. It is a measurement made on a VAR meter to determine the power factor.

5. Power Factor is used to convert KW to KVA. Our LP customers are billed on KVA Demand