



Reading Your Organization's Energy Bill

A Guide for Participants in Energy
Outreach Colorado's Nonprofit
Energy Efficiency Program



**ENERGY
OUTREACH
COLORADO**

Introduction:

Take control of your organization's energy use by learning to interpret your current and past utility bills.

This educational document will help you:

- ☑ Track the savings from your NEEP upgrades
- ☑ Determine what in your building may be drawing excess power
- ☑ Connect seasonal increases to tiered electric rates
- ☑ Identify if your organization is being billed in the correct schedule
- ☑ Confirm that are you not paying sales tax
- ☑ Provide a baseline of energy usage to help set energy-saving goals

Basic Usage Overview

Your organization's electric and gas bills most likely have a month-to-month chart comparing usage over a 13-month period. This is a great place to start analyzing your usage.

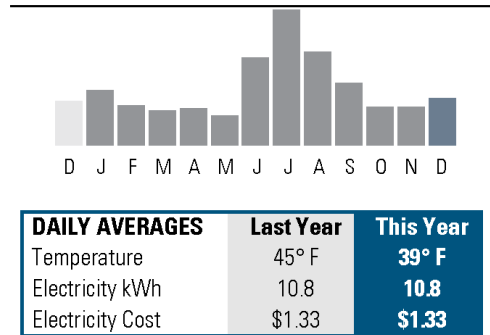
Consider how your bills shift month-to-month. If your gas use is low in the summer, and high in the winter, you likely have gas heating that is responsible for a large portion of your building's overall gas bills.

Similarly, if your electric bills are high in the summer and low in the winter, this is likely due to air conditioning.

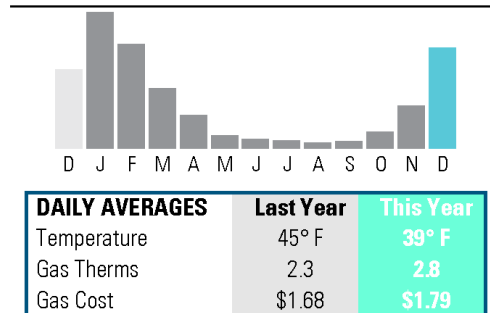
After efficiency work or building upgrades are complete, the first place you will likely see changes to your bill are on this 13-month chart.

Compare use during the same month in the previous year, adjusting for temperature differences that may also affect energy usage.

YOUR MONTHLY ELECTRICITY USAGE



YOUR MONTHLY NATURAL GAS USAGE



Electric Rates - Seasonal Changes

Electricity is measured in kilowatt hours (kWh) and your organization is billed per kWh used each billing period. The rate per kWh is determined by the time of year and your organization's classification.

Electric demand spikes in the summer due to air conditioning, so many utilities, like Xcel, charge more for excessive electric use in the summer months. As an Xcel customer, your organization will pay a lower rate in the winter, and a higher rate in the summer months.

Most organizations have commercial energy bills, but some may be classified as Residential (R). If classified as residential, your electric bill will show the below:

ELECTRICITY CHARGES		RATE: R Residential General	
DESCRIPTION	USAGE UNITS	RATE	CHARGE

Residential customers pay tiered electric rates in the summer, with rate per kWh increasing after 500 kWh used. Residential buildings will eventually be moved to a Time-of-Use billing structure in the summer months. Billing will be higher when electricity is used during peak hours (9am-5pm). It will be especially critical to watch air conditioning usage during these peak hours.

Billed Usage vs Billable Demand

Commercial Xcel Energy customers are charged every month for your billed usage (kWh). Your billed usage is the number of kilowatt hours (kWh) used in your building during the billing period.

Billable demand (kilowatts or kW), on the other hand, describes the total amount of energy required by your organization to run all of your equipment at once. This ensures that the utility could provide enough energy if everything was running at the same time.

This breaks down as follows: your air conditioner may require 3500 watts to operate (demand). If your air conditioner is running for 10 hours, your billed usage will be 35 kilowatt hours because 3500 watts x 10 hours = 35000 watt hours = 35 kilowatt hours.

Billed usage helps understand how your energy use changes month-to-month. Billable demand determines the rates your organization pays in winter and summer months.

Billable Demand and Schedules

For electric and gas service, your organization will likely be classified in a general business schedule. This determines your winter and summer rates, as well as set fees per month and year.

For commercial Xcel Energy electric customers, based on your billable demand, your organization will likely be classified as either:

Schedule C: Commercial Service Small

- Billable demand is always below 25kW
- You pay for your billed usage, so you will pay a set fee for each kWh used in a billing period.

Schedule SG: Secondary General

- Billable demand is above 25kW (even if only one month)
- You pay a smaller fee than Schedule C for billed usage (kWh used), but you also pay larger fees for your billable demand (kW).

Are you in the correct schedule?

Look for the below table on your Xcel Energy bill. Locate your schedule and monthly billable demand.

It is a good idea to examine your bill monthly and pay attention to your billable demand. If it is close to the 25kW line, try to work to stay below it!

ELECTRICITY SERVICE DETAILS				
PREMISES NUMBER: [REDACTED]				
INVOICE NUMBER: [REDACTED]				
METER READING INFORMATION				
METER W42924T - Multiplier x 40				
Read Dates: 10/20/17 - 11/17/17 (28 Days)				
DESCRIPTION	CURRENT READING	PREVIOUS READING	MEASURED USAGE	BILLED USAGE
Total Energy	16132 Actual	15895 Actual	237	9480 kWh
Demand	Actual			26.8 kW
Billable Demand				27 kW

ELECTRICITY CHARGES			
DESCRIPTION	USAGE UNITS	RATE	CHARGE
Service & Facility			\$34.40
Secondary General	9480 kWh	\$0.004610	\$43.70
Elec Commodity Adj	9480 kWh	\$0.030790	\$291.89
Distribution Demand	27 kW	\$5.630000	\$152.01
Gen & Transm Demand	27 kW	\$9.820000	\$265.14
Trans Cost Adj	27 kW	\$0.340000	\$9.18
Demand Side Mgmt Cost	27 kW	\$0.460000	\$12.42
Purch Cap Cost Adj	27 kW	\$1.440000	\$38.88
CACJA	27 kW	\$1.560000	\$42.12
Renew. Energy Std Adj			\$17.80
GRSA			\$0.59
Subtotal			\$908.13
Franchise Fee		3.00%	\$27.24
Sales Tax			\$34.14
Total			\$969.51

Billable Demand (determines schedule)

Schedule (determines rates)

If your organization ever goes above the 25kW billable demand limit, Xcel will classify your organization as Secondary General and your bills will increase. **If your bills consistently show billable demand under 25kW but you are classified as Secondary General, call Xcel and ask about being reclassified.**

Xcel Energy will usually not automatically drop your organization back to Schedule C even if your billable demand remains low.

Billable demand for organizations usually goes up in the hot summer months due to air conditioning. Make sure to watch your electricity usage especially during the summer months to help keep your bills low.

Gas Rates and Schedules

Gas is billed the same in winter and summer and you are charged a set rate per therm used. The rate your organization pays is based on your organization's gas schedule. Your gas schedule is determined by your annual therms used.

Xcel Gas Schedules:

Commercial Small Gas Service (CSG)

- Uses under 50,000 therms a year
- Charged per therm used each billing period in addition to monthly fees

Commercial Large Gas Service (CLG)

- Uses more than 50,000 therms a year
- Charged per dekatherm (10 therms) in addition to monthly fees that are higher than CSG

NOTE: If your organization is classified as RG: Residential Gas, you will pay one rate per therm. Gas rates are not dependent on season like electric rates.

Take note of your organization's annual therm use. If it is close to 50,000 therms a year, make sure your organization is classified as schedule CSG.

Login to your Xcel My Account and download 12 months of your usage data to calculate your annual therm usage. You will not find your annual usage on your monthly bills.

As with electric schedules, call Xcel if you believe your organization has been misclassified.

Sales tax exemption

As a 501c3, you are most likely tax-exempt from federal, state, and some local taxes. Nevertheless, many nonprofits are continuing to pay sales tax on their energy bills, which can add up to hundreds of dollars over several years. It is worthwhile to take the below steps to make sure Xcel has your account listed as tax exempt and removes sales tax from your bill going forward.

Step 1: Confirm you are paying sales tax

Check your monthly bills to determine if the utility is charging you sales tax. Sales tax should be located underneath the summary of your usage charges and fees.

ELECTRICITY CHARGES		RATE: SG Secondary General	
DESCRIPTION	USAGE UNITS	RATE	CHARGE
Service & Facility			\$34.40
Secondary General	9480 kWh	\$0.004610	\$43.70
Elec Commodity Adj	9480 kWh	\$0.030790	\$291.89
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Step 2: Apply for tax exemption through the state

To remove these sales taxes from your utility bill, you will need to make sure you have been classified as **tax exempt by the federal government and the state (& local municipality, if applicable)**. If you have not already applied for tax exemption from the state, take the steps below.

To apply for exemption on state of CO sales taxes, go to the following website:
<https://tax.colorado.gov/tax-exemption-application>

Fill out the Application for Sales Tax Exemption for Colorado Organizations
[DR 0715](#)

Important: As the application states, the following documents must be submitted with your application or it will be returned.

- Attach a copy of your Federal Determination Letter from the IRS showing under which classification code you are exempt. Only organizations exempt under 501(c)(3) of the Internal Revenue Code will be considered for exemption.
- Churches under a national church body should include an official document from the national organization stating your group affiliation. See Rule 39-26-718(2)(h) available on the Secretary of State’s website.
- Attach a copy of your latest financial statement to reflect sources of Colorado income and expenditures. New organizations submit a projected statement.
- Attach a copy of Colorado Articles of Incorporation or of Organization. State a specific purpose and function.
- Attach a copy of the most current Colorado Secretary of State Certificate known as “Certificate of Good Standing.”

After completing this application successfully, the state will issue your organization a tax-exemption number (will be 7-8 digits beginning with either 98 or 098) and charitable license.

Step 3: Send a copy of your numbered state tax-exemption form to Xcel

Send a copy of the state tax-exemption form along with:

- **Your Xcel account number**
- **Your meter number**
- **Percentage of tax-exemption**

Send to Xcel using one of the following methods:

Email address: TaxExemptionFax@xcelenergy.com

Fax number: 715-737-1347

Mailing Address:

Xcel Energy
 Attn Billing Services - Sales Tax
 P.O. Box 8
 Eau Claire, WI 54702

