

# Understanding Utility Bills Part 1: What's on the Bill?

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Resource: [This link is a great interactive PSE page](#) that helps explain the bill

Understanding a utility bill can help you manage energy use, identify savings opportunities, and avoid surprises. Utility bills vary depending on the provider, the services offered, and how often you're billed—monthly, bimonthly, or quarterly. Some bills focus on a single utility like electricity, while others combine services such as gas, water, and wastewater. Here's a comprehensive guide to understanding your bill and its charges.

## Billing Frequency and Structure

Start by checking the billing period, usually listed at the top of the bill. This shows the dates the charges cover, such as the first to the last day of the month. Bills that cover longer periods may appear higher even if your daily usage hasn't changed. For combined bills, you'll see separate sections for each utility, with their individual charges and summaries.

## Breakdown of Charges

Utility bills typically itemize charges, which may include:

**Usage Charges:** These are based on how much energy or water you used during the billing period. Electricity is measured in kilowatt-hours (kWh), gas in therms or cubic feet, and water in gallons or cubic feet. The rate for each is listed, showing the cost per unit. To learn more about electricity usage charges and the different ways utilities bill for electricity see part 2 of this article: *De-mystifying Utility Rate Structures*.

**Fixed Service Fees:** These are flat charges for maintaining the infrastructure, like power lines, pipelines, or water systems, and are billed even if your usage is zero.

**Delivery or Distribution Charges:** These fees cover the cost of transporting energy or water to your home. They are separate from the actual usage charges.

**Taxes and Fees:** This includes state and local taxes, regulatory fees, and sometimes charges for programs supporting renewable energy or low-income assistance. Water bills may also include wastewater treatment and stormwater management fees.

**Special Programs or Credits:** If you're part of a solar net metering program or energy efficiency initiative, you might see credits or additional fees. These adjustments show how much you saved or contributed.

## Types of Billing Plans

Your utility bill might show actual usage or an averaged amount if you're on a budget billing plan. Budget plans spread costs evenly over the year, which can make it harder to track seasonal

usage changes. If you're using renewable energy, such as solar panels, net metering credits will appear as deductions from your total charges for any excess energy sent to the grid.

### **Combined Utility Bills**

Some utilities bundle services like electricity, gas, water, and wastewater into one bill. In these cases, each service will have its section, showing its specific usage, rates, and charges. For example, a combined bill might list both kWh for electricity and therms for gas, along with separate fees for water usage and wastewater treatment.

### **How to Use Your Bill**

Utility bills often include graphs or comparisons to show how your usage has changed over time. Reviewing these details can help you spot trends, such as higher electricity use during summer for air conditioning or increased gas usage in winter for heating. If your bill seems too high, compare the rates or look for sudden spikes in usage. Many utilities also provide tips or resources for saving energy and reducing costs.

By taking the time to review your utility bill and understand its charges, you can manage your usage more effectively and even find ways to lower costs. If you have questions, most utility companies offer customer service or online tools to help explain your bill.