



Public Service Commission of West Virginia

Understanding Electricity Prices

Electricity is a necessity of modern life and powers virtually everything in our homes and businesses, including the ever increasing number of smart technology devices in use today. Electricity demand in the United States has increased 136% since 1970 and is now at an all-time high showing no signs of slowing. In fact, the national demand for electricity is expected to increase by another 24% by 2020.

More than half of the nation's electricity is generated from coal, fueling 99% of the electricity generated in West Virginia and the majority of electric power in 31 other states. Our State leads the nation in underground coal production and coal exports with over 50 million tons shipped to 23 countries accounting for about 50% of the US coal exports.

The demand for coal used to produce electricity has increased dramatically worldwide in recent years, especially in Asia. This has caused the price of coal to rise significantly and the availability of coal to be influenced by market factors beyond our control. That includes the price that our utility companies must pay for the coal they use to generate electricity. This higher cost of coal to generate electricity must eventually be recovered by the utility through higher rates to consumers.

As with all other businesses, the other resources used by electric utility companies to fulfill their obligation to supply electricity are also increasing in price. This simply contributes to your escalating bill. These items include the cost of hiring, training and keeping skilled personnel, the cost of wood, copper wire, gasoline, diesel, and other utility services.

While West Virginia has historically enjoyed some of the lowest electricity rates in the nation, our electric utilities must also continue to make infrastructure investments to meet the rising demand for power and federally-mandated environmental improvements.

Electric bills vary by month and from season to season. Typically more electricity is used during summer and winter than in spring and fall.

The energy charge on your residential electric bill is based on the total number of kilowatt hours (kWH) used. Kilowatt hours are the unit of electricity measured by the electric meter outside your home. For example, a 100 watt light bulb burning for 10 hours would use 1,000 watt hours or one kWH.

Many things you and your household do can have a significant impact on your electric bill. New electric appliances, hot water heaters, furnaces, heat pumps, lighting and the growing number of computers and other technical devices have an impact on an electric bill. Adding a baby, roommate or house guest for an extended stay leads to increased electricity usage.

Although small changes in your household and routines can increase your electric bill, small changes can also decrease your bill. Please see our "Home Owners' Guide to Lower Utility Bills" link for free and low cost measures you can take in your home to help combat high energy prices this winter.



LET US ASSIST YOU:

QUESTIONS:

Call: 1-800-344-5113

Visit: www.psc.state.wv.us

COMPLAINTS:

Call: 1-800-642-8544

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