

## CHELCO Commercial Rates

CHELCO has two primary rates for businesses, general service *demand* and general services non-demand.\*

All accounts are monitored to determine correct rate. General service non-demand is for lower power users that do not regularly exceed 50kw in a 6-month period out of the year.

Demand is measured in kw (kilowatts). If an account registers over 50 kw in demand for 6 or more months in a year, the account will be placed on the demand rate.

### Non Demand vs Demand Rate

#### General Service - Non-Demand

Basic Service	Single Phase: \$26.00 Three Phase: \$37.50
Energy Charge	6.459¢ per kWh, plus the Wholesale Power Adjustment

#### General Service - Demand

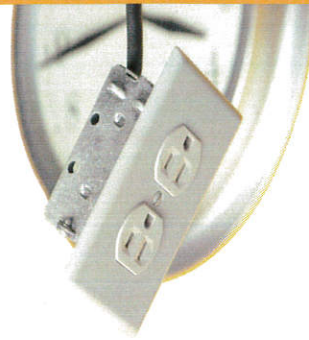
Basic Service	Single Phase: \$37.90 Three Phase: \$43.35
Demand Charge	50-499 per kW, \$6.22 per kW
Energy Charge	4.265¢ per kWh, plus the Wholesale Power Adjustment

### What is Demand

Demand is the maximum amount of power required at a physical location during one 15-minute period of the month.

During certain hours of the day and months of the year, our members use more power. When energy demand is high, power generation systems nearly reach their capacity, and the cost to generate or purchase power increases. Billing for demand also includes a 75% ratchet, which means that the monthly charge for demand will be no lower than 75% of the highest demand set during the previous 12 months. You can therefore lower your energy bill by spreading out your business's electricity usage. By doing so you are charged less, on the average.

\* Accounts routinely over 500 kW are subject to CHELCO's large power rate



*A customer runs a 75 horsepower (hp) irrigation pump for five hours during July:*

#### Demand Charge

$$= 75 \text{ hp} \times .746 \text{ kW/hp} \times \$6.22/\text{kW} = \$348.01$$

#### Energy Charge

$$= 75 \text{ hp} \times .746 \text{ kW/hp} \times 5 \text{ Hr} \times \$0.04265/\text{kWh} = \$11.93$$

*The same customer runs a 75 hp irrigation pump through the entire month of July:*

#### Demand Charge

$$= 75 \text{ hp} \times .746 \text{ kW/hp} \times \$6.22/\text{kW} = \$348.01$$

#### Energy Charge

$$= 75 \text{ hp} \times .746 \text{ kW/hp} \times 744 \text{ Hr} \times \$0.04265 = \$1,778.38$$

As you can see, the demand charge portion of the customer's power bill does not change, whether the pump runs fifteen minutes or all month. However, the energy charge portion of the power bill does depend on the amount of time the pump runs. The benefit of this rate is that a member will be charged a lesser rate for their energy usage.

If your account is under 50kw, please refer to non-demand rate

## Most frequently asked Q & A

#### Q. Why is there a demand charge?

A. The demand charge is a billing method used by utilities to equitably share the expense of providing enough generating capacity to be able to supply the maximum electric load required to serve all members. In simple terms, members who use very large amounts of power all at one eventually require the construction or procurement of power generating facilities to meet their demand. This charge helps offset that expense.

#### Q. Why would my account be a demand account?

A. Anytime a customer regularly registers 50kW in demand, they are designed by CHELCO's Engineering Department to meet this criteria based on the specifications of the member, will be placed on the general service demand rate. Additionally, any account that registers over 50 kW of demand six out of the previous twelve months will be placed on the rate.

#### Q. Will we see a difference in our bills being on the demand schedule?

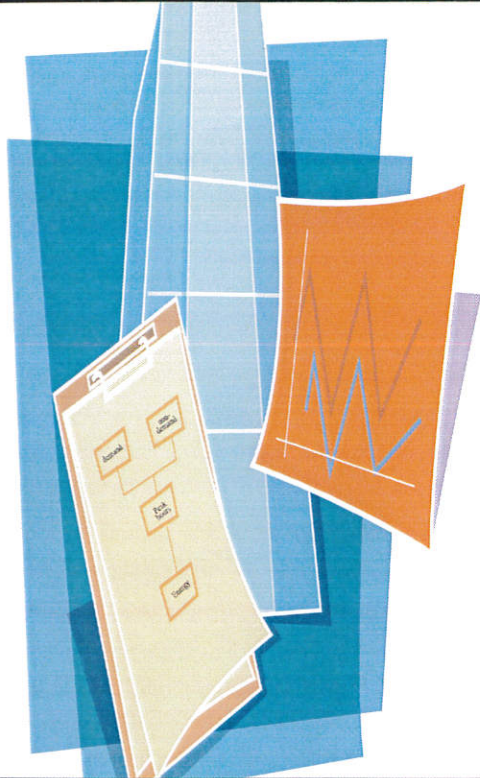
A. In all likelihood, you will see some change. Under the general service non-demand rate, you will only be charged for your energy usage, but it will be a higher rate (\$.06459 per kWh). Your monthly basic service will be \$26.00 for single-phase service or \$37.50 for three-phase service.


#### Q. Does certain equipment contribute to a high demand rate?

A. Absolutely. Any heavy machinery can contribute to a high demand. Motor load is the most obvious contributor to demand. This motor load can be created by operating conveyer belts, pumps, compressors, or other types of machinery. Another major contributor is heating and air conditioning load. Lastly, depending on the size of the facility, lighting can be a major contributor. For a more detailed analysis of what is driving your demand, contact CHELCO's marketing department for a commercial energy audit.



## Commercial Rates



Your Touchstone Energy Cooperative 

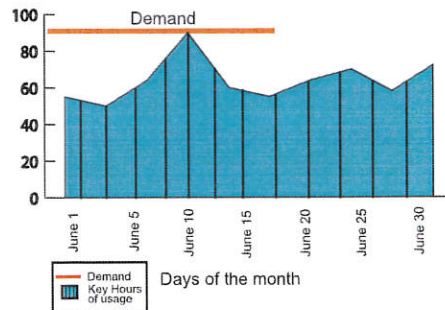
### Helpful tips

- Make sure your motor is sized correctly. An oversized motor could be increasing your demand and costing you unnecessarily. It's also possible that a newer, more efficient motor that would save on demand and energy may be available.

For example - If you are using a 75 hp motor when a 50 hp would do the job, you are wasting 25 hp or 18.7 kW of demand. (25 hp x .746 kW/hp = 18.7 kW) This equates to roughly \$118 per month.

- Make sure that worn pumps, motors, nozzles, and leaks are not increasing flow to the point where demand has increased. You can get an idea of what your demand should be by multiplying the total connected horsepower on your meter by .746 kW/hp. This should be the approximate demand amount on your utility bill.
- Be aware of the approximate date your meter is read each month. If you only run your motor for a day or two during a billing period (for example, at the beginning or end of the year) your demand cost could far exceed your energy cost.

Kilowatt Demand



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