

# Could Your Business Get a Better Electricity Rate?

If your business has consistently been using more energy, your utility may have a better customer class to serve you. The first step is to call customer service and ask them to explain their small, medium and large commercial rates.

Specifically ask what the requirements are to be eligible for each class. Ask about:

- Maximum/minimum monthly peak demand load (kW) allowed
- Demand charge per kW
- Per kWh usage rate
- Monthly service charge

If you are currently on a generic small or medium commercial class and qualify for the generic large commercial class, you could start saving money.

See other side for money-saving examples.



## Definition of Demand Load Charge

**DEMAND LOAD** – The average amount of electric power (measured in kilowatts – kW) drawn through an electric service meter during any 15 or 30 minute interval.

**MONTHLY PEAK DEMAND LOAD** – The highest demand load measured in a given month. The value (in kW) of this peak is used to calculate the monthly demand charge.

**NOTE** – Electric utilities often institute demand load charges on their larger customers. Even with this additional charge, overall monthly bills can cost less than bills for other classes because of the lower usage (kWh) rates associated with large commercial classes.

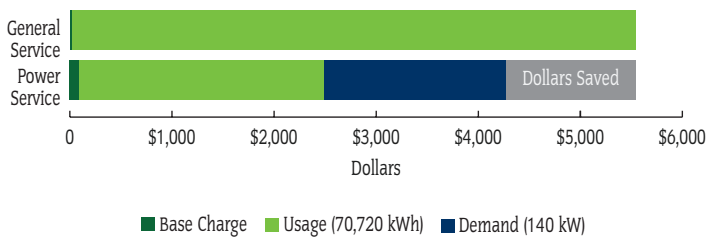


## Example 1: A Growing Business Switches Customer Classes

After a significant building expansion, a grocer realized his store, which was on the General Service, now had a monthly peak demand load over 50 kW and could qualify for Power Service. The grocer called his utility customer service team and requested a rate class change. He began saving close to \$1,000 a month because he was paying 4.5 cents less per kWh on tens of thousands of kWh each month. The impact was so significant that the grocer was able to offset the impact of the demand charge his new class imposed. See below for more information.

Impact of KU GS v. PS Classes on Total Bill

Based on Monthly Charges of One Summer Month



Comparison of Kentucky Utilities' General Service with Power Service				
Class	Monthly Charge	Per kWh rate	Per kW Demand Rate	To Qualify
General Service	\$17.50	\$0.07796	\$0.00	<50 kW mo. peak demand load
Power Service	\$90.00	\$0.03386	\$12.78 May through September billing cycles \$10.53 rest of year	>= 50 kW of mo. peak demand load

*NOTE: If it is not clear whether you would achieve savings from a class change, contact MACED to schedule a billing analysis.*

## Learn More

For more information visit [www.maced.org](http://www.maced.org), or to schedule a billing analysis with MACED's E3 team, call 859-986-2373.

## Example 2: Merging Electricity Use Onto One Meter to Take Advantage of a More Cost-effective Class

A Letcher County business was served by two electric meters. One meter was on the Medium General Service class and the other on Large General Service. A careful analysis of the electric usage in the building revealed that by removing the Medium General Service meter and applying that meter's loads to the Large General Service meter, the business could save about \$250 per month. The business decided to proceed with combining the meters when it realized that in ten months, the monthly savings would pay for the electrical contracting work required to complete the project.

Comparison of Kentucky Power's Medium General Service with Large General Service				
Class	Monthly Charge	Per kWh rate	Per kW Demand Rate	To Qualify
Medium General Service	\$13.50	\$0.08460-\$0.09862 depending on usage amount relative to demand load	\$1.64	<100 kW but more than 10 kW mo. peak demand load
Large General Service	\$85.00	\$0.07795	\$4.02	>100 up to 1,000 kW of mo. peak demand load



## Special Rates

Many utilities have special rates for all-electric schools, volunteer fire stations, churches and community centers. Ask your utility if you qualify and would save money as a result of switching.