

CITY OF SEWARD
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POLICY DEMAND METERING

Date: July 2019

History:

The City of Seward Electric Tariff (the “Electric Tariff”) has three customer classifications: residential, small general service (“SGS”) and large general service (“LGS”). The SGS and LGS are for commercial accounts. In the City of Seward City Code section 14.15.210 Service classification provides, “the intended use of electricity will determine whether a service is residential or commercial.” Stated differently, if the intended use is for primarily living quarters, then the service is residential. If the intended use is to perform business, then the service is classified as a commercial service and categorized into either SGS or LGS.

The Electric Tariff states that SGS is less than 25 kilowatts (kW) in demand. Then, by definition, anything over 25kW must be LGS. Demand is defined as the highest recorded 15-minute kW interval in the billing period.

Having a demand meter does not mean that a customer is automatically classified as a LGS customer nor that they are automatically charged for demand. In the past, many of the meters in use did not give the City the means of tracking commercial customers’ demand usage. This made it challenging for the utility to tell whether customers had a demand exceeding 25kW. This determination was made by examining an individual customer’s account, both at initial construction and flagging high kilowatt-hour (kWh) usage. In these situations, a meter that has the ability to monitor demand would be placed on the individual customer’s meter base and the demand usage would be tracked to see if the customer’s demand exceeded 25 kW.

Historically, the classification of a business to be in or out of SGS/LGS was determined by reviewing account records over the course of a few months. If the customer had a high demand, then the account would be switched to LGS at the direction of the Electric Utility Manager. There was no mechanism to flag customers who may be misclassified, except by chance of an employee or at the request of the customer. At the time of the meter exchange the decision was made by the Utility Manager, and supported by the Finance Director and City Manager, to convert all commercial meters to demand reading capable meters. The intent of the change was to eliminate the challenge of misclassifying or overlooking the customers between SGS and LGS with greater computer capability for reporting demand. Another reason for implementing the change to demand monitoring was to avoid potential electrical infrastructure failure and damage to multiple services and equipment that can occur if demand is left unchecked.

Policy:

For all new services, the anticipated load shall control whether a demand meter is required, and the account will be initially billed based on this anticipated load. The initial load and billing determination will be made and initiated an electric department employee that is working on the particular job order, and will be based on customer supplied data. An anticipated load of less than 25 kW will receive a regular (non-demand) meter if one is available for that service classification. An anticipated usage of 7,500 kWh or higher and/or an anticipated load greater than 25 kW will receive a demand meter initially. If the customer receives a demand meter then the customer's account will initially be classified as a LGS. After three consecutive months of typical usage the account may be adjusted, based on historical usage, by direction of the Electric Utility Manager or customer request. Customers may ask for their account to be reviewed at any time.

For existing services, such services can demonstrate the requirement for a demand meter two ways. First, if a demand meter is currently installed, then the demand will be recorded directly from the meter. Second, if utility service records demonstrate historical usage greater than 7,500 kWh in any given month, then a demand meter may be installed for monitoring purposes.

After three months of monitoring typical usage, based on the data collected, the account may be switched to a different classification if justified and appropriate. A customer's account may be switched to LGS based on one of the following criteria:

- 1) The customer's meter history shows more than four (4) months of 25 kW or greater for any previous calendar year;
- 2) The customer's meter history shows three (3) of the last six (6) months of 25 kW or greater;
- 3) The customer's meter history shows three (3) consecutive months within the past twelve (12) months or the previous calendar year of 25 kW or greater; or,
- 4) By request of the customer.

Thank you,



John Foutz
Utility Manager