

FAQ ABOUT DEMAND CHARGES

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Which rates are subject to Demand Charges?

Non-residential rates could be subject to demand charges depending on the amount of usage.

What is considered a General Service Rate?

Non-residential accounts are considered General Service Rates. Examples include, but are not limited to, barns, shops, pole services, well pumps, churches, commercial businesses, smaller industries, etc.

Explain the electric demand charge.

The electric demand (kW) that an account uses refers to the highest amount of electricity measured during a set interval of 30 minutes during the billing month. The demand resets every month. This demand charge covers the cost or the capacity to supply a customer's peak usage and is distinct from the energy charge (kWh), which is based on the total amount of kilowatt-hours consumed. This fee or charge helps TVA ensure we have enough power to instantly meet peak demand each day.

How can I reduce my demand charge or usage?

One way to reduce your energy usage is through energy efficiency. Implementing energy efficiency measures, like smart thermostats, soft starts on equipment, and running high-energy appliances during off-peak hours can help lower overall consumption and lower your demand bill. Depending on what type of usage you have, there may be other options to reduce demand usage. Check with FPU on more specific ways to reduce demand usage.

Why is there a one-year requirement to stay on the demand rate?

This is a TVA requirement. Some accounts only hit higher demands in the cold part of winter and/or the hot part of summer. In these instances, you may make some energy efficiency changes/upgrades or manage your usage to reduce your consumption and stay below the thresholds.

What services are offered through FPU to assist with lowering energy and demand usage?

Through our Comprehensive Services Program with TVA, FPU offers a variety of studies including: HVAC studies, infrared scans, ultrasonic testing, lighting design, metering, power quality studies, wiring and electrical distribution equipment analysis, power factor and grounding/lightning protection studies, and demand-side management services. If you are interested in any of these studies, feel free to contact Nickie Tucker at ntucker@fpu-tn.com or call 931-433-1522 extension 121.

How can I determine what the potential demand usage will be on my account or on a building?

To determine a building's potential electrical demand, calculate the total wattage of all connected devices. Simply make a comprehensive list of all electrical equipment and devices in the building, including things like HVAC systems, lighting, appliances, water heaters, large equipment, motors, etc. Then note the power rating for each item in watts or kilowatts. The sum of all individual items power rating (watts or kilowatts) is the total connected load. This is a simplistic way to determine the potential electric demand load, not all devices will be operating at their full capacity simultaneously. Please consult a qualified electrician or electrical engineer to perform accurate load calculations for a new building. If a building is existing, you could ask for previous utility bills when the building was in full operation.