



Approval to Amend Tariff and Business Rules – Large Power Rate

Natalia Mack | Rates Manager

David L. Thompson | VP of Markets

Large Power Rate Changes

BACKGROUND

The latest cost of service study recommends various ways to improve price signals, which were not feasible in the past due to system limitations. Recent improvement projects affecting the metering infrastructure and billing software have made sending accurate price signals a possibility.

REASON

Improved metering infrastructure and billing software allow PEC to improve price signals and decrease cross-subsidization.

Large Power Rate Changes

PROPOSED RATE CHANGES

- Lower the Large Power demand threshold from 75 kW to 50 kW
- Time of Use to align with cost causation
- Change Distribution cost collection from energy (kWh) to a demand rate (kW) to align with cost causation
- Change Transmission cost collection from energy (kWh) to a demand rate (kW) to align with cost causation

IMPACT

- The decrease in demand threshold will increase the number of Members by ~130
- Bill impact will depend upon usage and demand patterns

Large Power Rate Changes

RATE SCHEDULE

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 150.00	meter
Peak Demand Charge:	\$ 5.00	kW
Base Power Charge:	TOU, per Section 500.1.8.2	kWh
Transmission Cost of Service Charge:	Per Section 500.1.9.2	kW

- **Service Availability Charge** – no change
- **Base Power Charge** – will change from a flat basis to a Time of Use (TOU) basis, in alignment with cost causation
- **Delivery Charge** – this charge will be removed
- **Demand Charge** – the Capacity Demand charge will be replaced by the Peak Demand Charge in alignment with cost causation
- **Transmission Cost of Service Charge** – this charge will be changed from an energy basis (kWh) to a demand basis (kW) per the Member's 4CP contribution and in alignment with cost causation

Large Power Rate Changes

IMPLEMENTATION

The Commercial and Industrial Accounts Team will follow up and assist Members' transitions to the new rate design.

- Board approval: February 19, 2021
- Effective date: January 1, 2022

Member outreach:

- Member notification: March 2021
- Member follow up: October 2021

TARIFF AMENDMENTS

- Capacity Demand Charge, Section 500.1.6: effective January 1, 2022
- Peak Demand Charge, Section 500.1.7: effective January 1, 2022
- Large Power, Section 500.2.2.2: effective January 1, 2022



pec.coop