

Lower Your Electric Bills!

City of Southport's Electric Rates are designed to allow the customer to do just that. Since July 1st, 1996, the customer's electric rate is determined by how much the customer participates in helping to reduce the City's monthly "Peak Demands". The more a customer participates, the lower that customer's rate will be for ALL the electricity the customer uses.

These rate reductions are strictly voluntary, and customers will receive the benefit of their actions regardless of their neighbor's actions. If a customer does not or can not participate, their electric rate will reflect peak demand rates. However, with all the options available, *everyone* should find *someway* to participate and reduce their rate.

Rate reduction for Load Management is available for both residential and commercial customers. The actual rate reductions are different for each group and are based on historical usage patterns.

Rate reductions are offered for Load Management on the following major electrical appliances:

- A. Cycling (50%) Air Conditioning control on Heat Pumps during cooling season – CA/C**
- B. Water Heaters all year long – WH**
- C. Auxiliary (emergency) Heat Strips on Heat Pumps during heating season – HS**
- D. Total (100%) Control of Air Conditioning on Heat Pumps during cooling season – TA/C**

Detailed descriptions of these programs are located within this information packet. The available combinations of these programs and the resulting reduced rates for both Residential and Commercial customers are also included.

Because of the benefits customers will receive from lower electric rates, customers will be required to accept certain Responsibilities and Liabilities. Three basic requirements to which customers must agree to are also explained within this packet. Before receiving the lower rates, customers must sign a copy of the enclosed Agreement and return it to the Utility Office at City Hall or the Public Works office at the City Garage.

How to Participate in the Load Management Program

- 1. Carefully read the accompanying descriptions of the programs available. Decide which program(s) you wish to participate in, taking careful consideration to which program(s) you would be most comfortable with.**
- 2. Carefully read the Customer Requirements section included within this packet. If you have any questions, please contact the Utility Office Public Works 457-7935 or the Load Management office at Public Works 457-7938.**
- 3. Fill out a copy of the enclosed Agreement and return it to the Utility Office or Public Works.**

General Description of the Load Management Program

Load Management is a voluntary program that allows the Utility Provider to control electricity use at certain times to help avoid costly Peak Power Demands. A peak demand is when consumers try to consume more electricity than the provider can supply. Power Generation plants running already at maximum must rely on auxiliary generation to supplement power to “The Grid”.

Peak demands occur in the summer or winter when temperatures are extreme or sustained. The highest demands are during the hours of 6 to 8 a.m. when people are getting up and ready for work, and from 4 to 6 p.m. when people are getting home and settling in for the night. This “Peak” amount of power used determines costs for power. When the peak goes up, so do the costs.

Description of Load Management Programs

Cycling Air Conditioning Control – CA/C

This program consists of cycling air conditioners during Load Management periods. Units will be off for 50% or *approximately* 15 minutes, *twice* every hour during load management. Only the compressor on the heat pump is switched off, so the circulatory fan inside the structure may continue to run during the off cycle.

This is the most tolerable of the air conditioning control through load management. Most participants are unaware that the unit is being controlled. It is estimated that on the hottest summer day during load management, the temperature inside only increases two to four degrees.

Total Air Conditioning Control – TA/C

Total Air Conditioning control is an expansion of the cycling air conditioning program. Instead of cycling units, 100% shed control shuts the units off completely during the peak period.

Also unlike cycling air conditioning control, participants will fully notice when their air conditioning is being controlled. Under Total A/C control, units will be off from three hours or longer at a time during high temperature extremes. In some isolated cases, this may occur for many days in a summer month.

Participants under Total A/C often state that they are used to living without air conditioning or are not at home during the peak. Others willingly endure the inconvenience for the savings presented by the lower rate.

Description of Load Management Programs

Water Heater Control – WH

This program consists of turning off your electric water heater for the duration of the load management period. Customers with water heaters sized sufficiently for their family size and lifestyle, report they rarely if ever notice load management control.

Water heaters are controlled 12 months of the year. During cold winter months, control is usually from 6-8 a.m. Control is usually from 4-6 p.m. during hot summer months and at various afternoon and evening hours during the beginning and ending months of summer. Occasionally during the spring and fall, control will be during both the morning and afternoon hours.

Heat Strip Control – HS

This program consists of turning off the auxiliary (emergency) Heat Strips in the Heat Pump during the load management period. In extremely cold weather, heat strips are used to provide additional heat when the efficiency of heat pumps decreases.

Heat strips are controlled during the heating season usually between 6-8 a.m.

As with all of the Load Management programs, switches are installed by a licensed electrician.

When your Heat Pump or Water Heater needs replacement, Look into the rebate program. Call Public Works 457-7938 for more information.

Customer Requirements for Rate Reduction through Load Management Control

- A. Customer requests the LM switch or switches.**

The City covers the cost of the switch and installation fee on new switches. In some instances, should a disconnected switch need to be reconnected, the City may charge a \$60 reconnect fee.

- B. Customers can request a switch be removed or deactivated at any time, but will lose the discount or credit.**

The rates are based on yearly averages, but appliances are only controlled during certain seasons. It must be insured that the City has actually saved on the switch operation an amount equal to the savings the customer has received through the reduced rate.

For instance the City only controls air conditioning during the summer months, but will give the customer credit all year long based on average savings. Customers can not be allowed to take the credit during the winter months when there are no real savings, and then have the switch removed at the beginning of the summer before the savings are realized.

- C. Customer must accept responsibilities for insuring switches are not tampered with! For this rate structure to work, the LM switches must work properly. All that's required is that the City is notified within 2 days after a controlled appliance is serviced or replaced. We will inspect the switch to insure it is working properly. If it is discovered that the switch has been tampered with, the City will deal with the party who did the work on the appliance.**

It is a VIOLATION of NC State Law to tamper with any Load Management Switch (G.S. 14-151.1). The City has begun a program of random testing of all LM switches. Customers must agree to allow City representatives to audit and inspect LM switches installed on your appliances. If a routine inspection finds switches that are tampered with (missing, not connected or opened and otherwise tampered with), without notification of work on the appliance, any savings granted that account for that switch for the previous 12 months will be billed to the customers electric account. Switch reconnection or replacement will be performed by a licensed electrician. The cost will be added to the customers account. Simple reconnection fee is currently \$60 per switch. If there are any customer questions concerning these requirements prior to signing the agreement, please call the Utility Office 457-7900 or Public Works 457-7935.

**Agreement for
Electric Rate Reduction
through
Load Management Participation**

This agreement between the City of Southport and

(Customer's Name)

(Address)

(Account Number)

(Telephone Number)

Is made on the _____ day of _____, _____ at the request of the above named customer

Customer requests participation in the following Load Management program(s) available from the City.

(Please initial next to each program in which you wish to participate):

_____ *Cycling Air Conditioning – CA/C*

_____ *Total Air Conditioning – TA/C*

_____ *Water Heater Control – WH*

_____ *Heat Strip Control – HS*

For participation in the above requested program(s), the City agrees to charge you at the _____ Rate from the current City of Southport Electric Rate Table.

I have read the “Customer Requirements for Rate Reduction through Load Management” and fully understand and agree to my responsibilities for participation in this program:

Customer / Representative signature

_____/_____/_____
Date