

# Tipmont REMC

## Board Policy No. 214

### Rate Class Assignment and Metering of Demand

#### PURPOSE

To establish energy and demand thresholds for assigning/reassigning member accounts to the proper rate tariff.

#### GENERAL POLICY STATEMENT

Tipmont audits its member accounts on a monthly basis to ensure that all accounts are assigned to the proper rate tariff and billed appropriately. If an account's assigned rate tariff is changed, the member will be notified of the change.

#### PROVISIONS

- A. The rates schedules to which this policy applies are:
- Rate schedule 1 – Single Phase <50 kW (Energy Only)
  - Rate schedule 3 – Three Phase <50 kW (Energy Only)
  - Rate schedule 7 – Single or Three Phase >50 kW – Low Load Factor (Tilted Energy and Demand) (Large Power Rate)
  - Rate schedule 8 – Single or Three Phase >50 kW (Energy and Demand) (Large Power Rate)
  - Rate schedule 9 – Three Phase >1000 kW (Energy and Demand) (Large Power Rate)
- B. If Tipmont anticipates a new member's peak demand will exceed 50 kW, the account will initially be placed on Rate 8. If Tipmont anticipates a new member's peak demand will exceed 1000 kW, the account will initially be placed on Rate 9.
- C. Rate audits will be carried out each month for all member accounts applying usage and demand data from the most recent twelve months.
1. Rate 1 or Rate 3 accounts whose demand is 50kW or greater for three consecutive months, or 75kW or greater for one month will be reassigned to Rate 8. Rate 8 accounts whose demand is 1000 kW or greater for three consecutive months, or 1250 kW or greater for one month will be reassigned to Rate 9.

2. Rate 7 or Rate 8 members whose demand is 50 kW or greater for less than three consecutive months, and less than 75 kW in any month will be reassigned to Rate 1 or Rate 3. Twelve months of data must be available to apply this change. If less than twelve months of data is available, the account may be reassigned only if deemed appropriate.
  3. Rate 8 members whose average "operational load factor" is less than 20% during the previous 12 months may be reassigned to Rate 7. "Operational load factor" is the load factor from any month where the member's demand is greater than 5 kW.
  4. Rate 7 members whose average "operational load factor" is greater than 20% during the previous 12 months will be reassigned to Rate 8.
  5. Rate 9 members whose demand is 1000 kW or greater for less than three consecutive months, and less than 1250 kW in any month will be reassigned to Rate 8. Twelve months of data must be available to apply this change. If less than twelve months of data is available, the member may be reassigned only if deemed appropriate.
- D. The member will be notified when any rate changes are made due to the rate audits.
- E. If a member is served by a distribution transformer with a capacity of 300 kVA or greater, a meter capable of measuring VARs will be installed. Tipmont will adjust kW billing demand for the account whenever the power factor falls below 95% Reactive Power.

## **RESPONSIBILITY**

The CEO, department managers, and supervisory personnel shall be responsible for the administration of this policy. This policy supersedes any existing policy which may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS

---

President

Date Original Adopted: December 19, 1996  
Date of First Revision: January 28, 1997

Date of Second Revision: August 1, 2000  
Date of Third Revision: November 30, 2004  
Date of Fourth Revision: November 27, 2007  
Date of Fifth Revision: November 17, 2009  
Date of Sixth Revision: November 22, 2011  
Date of Seventh Revision: January 28, 2014  
Date of Eighth Revision: July 26, 2016