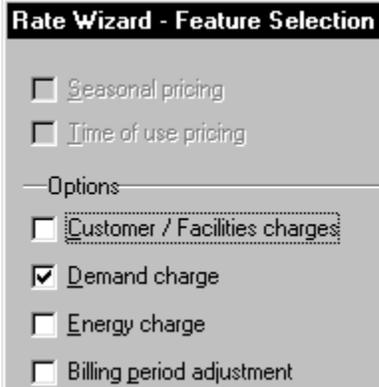


Rate Wizard Demand Charge Option

Demand charges are typically based upon a cost per unit of peak demand. Demand is recorded as a series of peaks, usually taken every 15 minutes.

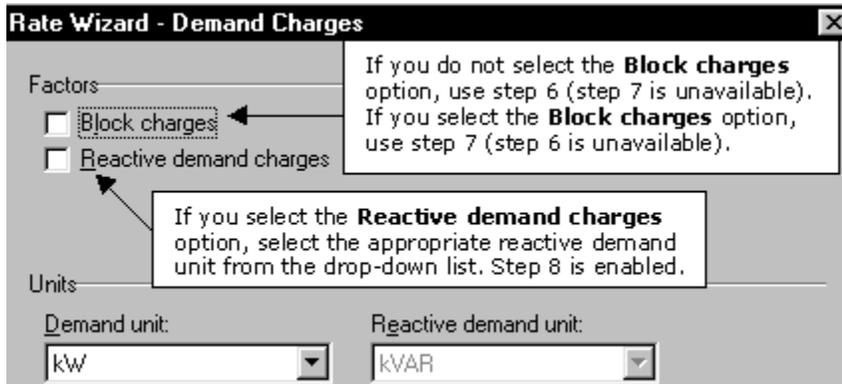
Demand readings are like a speedometer that moves up as you increase speed and stays at its highest point. Every 15 minutes this highest point is recorded then the speedometer is reset. The highest recorded peak every month is known as the peak demand.

1. In the **Rate Wizard - Feature Selection** page, select the **Demand charge** option. This allows you to enter a cost per unit for demand.



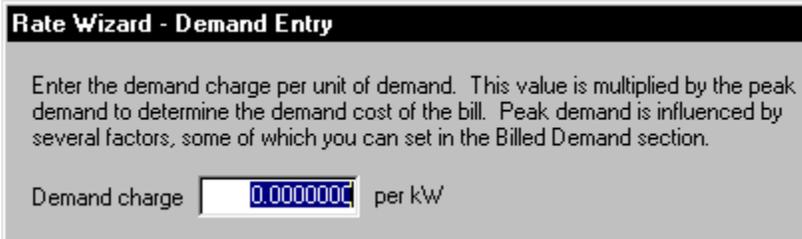
The screenshot shows the 'Rate Wizard - Feature Selection' window. It contains several checkboxes: 'Seasonal pricing', 'Time of use pricing', 'Customer / Facilities charges', 'Demand charge' (which is checked), 'Energy charge', and 'Billing period adjustment'. There is also an 'Options' section header.

1. In the **Rate Wizard - Demand Charges** page, select the appropriate demand unit from the drop-down list (only existing [unit types](#) appear).



The screenshot shows the 'Rate Wizard - Demand Charges' window. It has two sections: 'Factors' and 'Units'. Under 'Factors', there are checkboxes for 'Block charges' and 'Reactive demand charges'. A callout box points to 'Block charges' with the text: 'If you do not select the **Block charges** option, use step 6 (step 7 is unavailable). If you select the **Block charges** option, use step 7 (step 6 is unavailable)'. Another callout box points to 'Reactive demand charges' with the text: 'If you select the **Reactive demand charges** option, select the appropriate reactive demand unit from the drop-down list. Step 8 is enabled.' Under 'Units', there are two drop-down menus: 'Demand unit' (set to 'kW') and 'Reactive demand unit' (set to 'KVAR').

1. If the demand charges are not in blocks, use step 6 (step 7 is unavailable).
2. If the demand charges are in blocks, select the **Block charges** option. Use step 7 (step 6 is unavailable).
3. If reactive demand is part of the rate you are creating, select the **Reactive demand** option.
 - Select the appropriate **Reactive demand** unit from the drop-down list. Step 8 is enabled.
4. In the **Rate Wizard - Demand Entry** page, enter the cost per unit of demand (non-block charges). All kW of usage will be charged this amount.



The screenshot shows the 'Rate Wizard - Demand Entry' window. It contains a text box with the following text: 'Enter the demand charge per unit of demand. This value is multiplied by the peak demand to determine the demand cost of the bill. Peak demand is influenced by several factors, some of which you can set in the Billed Demand section.' Below this is a text input field for 'Demand charge' with the value '0.000000' and the unit 'per kW'.

1. In the **Rate Wizard - Demand Block Charges** page, enter the cost per unit of energy (block charges) and define the block size and cost per unit per block.

Rate Wizard - Demand Block Charges

Demand block charges:

Block	Size (kW)	Amount (\$/kW)	Flat Fee
Block 1	5	0	<input type="checkbox"/>
Block 2	999999999	5.65	<input type="checkbox"/>
Block 3			
Block 4			

The final block size is "999999999", set to a number which is not expected to be reached (in effect, working as **all remaining usage**).

Utility companies often list demand charges as, "\$5.65 per kW of demand over 5 kW" (the cost per unit will change of course).

You can define this by setting the first block to \$0.00 \$/kW with a step size of 5.

Rate Wizard - Demand Block Charges

Demand block charges:

Block	Size (kW)	Amount (\$/kW)	Flat Fee
Block 1	5	20.00	<input checked="" type="checkbox"/>
Block 2	999999999	5.65	<input type="checkbox"/>
Block 3			
Block 4			

The final block size is "999999999", set to a number which is not expected to be reached (in effect, working as **all remaining usage**).

Select the **Flat Fee** option if the amount value is applied to a demand block as a fixed fee. Flat fees apply when a tariff states, "\$20.00 for the first 5 kW of demand."

If 2 kW of demand is registered, \$20 is charged, likewise if 5 kW of demand is registered, \$20 is charged.

1. In the **Rate Wizard - Reactive Demand** page, enter the reactive demand charge.

Rate Wizard - Reactive Demand

Reactive demand charge(s):

1. In the **Rate Wizard - Billed Demand** page, you can enter rate minimums, monthly ratchets, and seasonal ratchets.

Rate Wizard - Billed Demand

Rate minimum: kW

Monthly ratchet
 % of the maximum demand from the last month(s)

Seasonal ratchet
 % of max demand from

<input type="checkbox"/>	Jan
<input type="checkbox"/>	Feb
<input type="checkbox"/>	Mar
<input type="checkbox"/>	Apr
<input type="checkbox"/>	May

 over the last year(s)

1. Select the **Rate minimum** option (if applicable) to enter rate based (not contractual) demand minimums.
 - Enter the rate based demand minimum.
2. Select any applicable ratchets.

Ratcheting is the term applied to the utility company practice of using a historical (from previous months or years) peak demand when creating an account's bill. Often, only a percentage of a ratcheted demand applies. Comparisons are made to the current month's peak demand and, for example, 80% of the historical peak demand over the past year.

Example: A one year 80% ratchet will look for the highest demand reading for the current month and 80% of the 11 previous months. If this month's, the month of May, peak demand is 120 kW but a demand of 200 kW was recorded last December, this month's billing demand should be 160 kW, 80% of December's peak demand.

- **Monthly ratchet** allows you to enter the percentage and the past number of months to evaluate maximum demand.
- **Seasonal ratchet** allows you to enter the percentage, select specific months to which a ratchet applies, and how many years back to evaluate those months.