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### **Introduction to Load Management**

The rising cost of electricity is a concern to all of us. To reduce wholesale power costs and maintain current electric rates, the City of Madison offers an electric load management program.

Load management is the shifting of certain types of electrical use (i.e. water heaters, air conditioners & electric heat sources) to off-peak periods in order to save money. A peak load occurs when a majority of our customers use a large amount of electricity at the same time. Generally, the electric demand only needs to be controlled on days of extreme weather conditions (hot or cold). Controlling the demand reduces the peak load, which helps the City avoid additional power costs.

The City of Madison purchases wholesale power from two sources: (1) Western Area Power Administration (WAPA) and (2) Heartland Consumers Power District (HCPD). As the size of Madison's peak demand increases, the City is required to purchase more and more of the higher cost supplemental coal-generated electricity from HCPD rather than the less expensive hydro (dam) generated electricity from WAPA.

### **How does the load management system work?**

Load management control systems consist of three basic parts: (1) the computer control center, (2) the transmitter, and (3) the customer's at-load receiver box. The command to switch off the appliance originates at the computer control center, which in turn activates the transmitter to send a signal to the customer's receiver. The receiver, located at the customer's residence, acts as a switch to disconnect and reconnect power to your controlled appliances.

### **Will my monthly power bill be reduced?**

Yes, the city offers direct rate incentives in the form of reduced rates and/or credits to those customers who participate in the program. The following are the load management incentives currently being used:

- 1) Water Heater Credit: \$.010/KWH on monthly usage between 50KWH and 800KWH with a maximum of \$7.50 per customer.
- 2) Air Conditioner Credit: \$.025/KWH on monthly usage for the months of July, August, and September between 300KWH and 1200KWH with a maximum of \$22.50 per dwelling unit on 220 volt air conditioner.
- 3) Electric Heat Credit: \$.025/KWH on monthly usage for the months of December, January, and February between 300KWH and 1200KWH with a maximum of \$22.50 per dwelling unit (4KW electric heating system required)
- 4) Off Peak Usage Rates (Dual Fuel): \$.0417/KWH for usage that can be interrupted at the convenience of the City without advance notice to the customer.

**How can I reduce the peak load?**

On a volunteer basis you can continue to respond to the radio energy alerts on peak days by turning off electric appliance such as dish washers, ranges, washing machines, clothes dryers, etc. until the evening hours when the peak demand has subsided.

You can also help to reduce peak loads by allowing the City to turn off and on (cycle) your electric water heater, central air conditioner, window air conditioner or heat source with remote controlled switching equipment during peak loads.

**Why cycle electric water heaters, air conditioners and heat sources?**

These high electric use appliances contribute significantly to Madison's peak load. These appliances can be interrupted with little inconvenience to our customers.

**Will it cost me anything to have the receiver installed?**

No. The City will pay the initial cost of purchasing and installing the complete load management system for all existing electrical customers.

**Can the receiver be removed if I am dissatisfied?**

Yes. The City believes that inconveniences to our customers will be minimal. The cost savings should outweigh any minor inconveniences. However, upon request, the City will remove the receiver if you are dissatisfied.

*If you have any further questions about the load management program, feel free to contact us.*