Explanation of Heating Demand Adjustment Process

Under Section 6.4 of the Hot Water Delivery Agreement, customers using District Energy service since June 1, 2014, or earlier, will receive an automatic demand adjustment effective October 1, 2015. The purpose of this adjustment is to keep billed demand in line with current energy use levels.

Adjusted demand is computed by dividing the weather-normalized energy use for June 2014 through May 2015 by the utilization factor established in the Hot Water Delivery Agreement.

Weather normalization uses "heating degree days" to adjust actual energy use to the level which would have been expected in a normal year. The number of heating degree days for a given day equals the amount the average temperature for that day is below 65 degrees.

Based on 7,517 normal degree days and 7,514 actual degree days for the District Energy billing periods included in the 2014-15 heating season, a multiplier of 1.0004 was used to calculate normalized non-summer energy use. This was then added to unadjusted summer use to get the normalized energy total for the year. This total, in megawatt-hours, was multiplied by 1000 to convert it to kilowatt-hours, and then divided by your utilization factor to get your new demand in kilowatts. This amount is shown as "FY-2016 Adjusted Demand" in the heading of the budget projections.