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Our Onerous GRU Bills Can Best Be Mitigated Through Rate & Tax Analysis & Solar Power

GRU Billing Terminology

- *kWh: (Kilowatt hour)*: The amount of electricity required to operate a 1000W load for one hour
- *KW*: The rate at which energy is being used to any point(s) in time (also known as the "load").
- *Demand*: The highest load (in KW) you require in two consecutive 15 minute intervals within any billing cycle. Any GRU Customer with a measured demand of 50 kWh automatically becomes a "Demand Customer". If you do not hit 50 KW in 12 consecutive months, you automatically switch to a non-demand customer. There are contract rates available to control whether or not you will be billed for demand or non-demand rates.
- *General Service*: Non-Residential, NRES, Commercial, Business are synonymous terms.
- *Base Rates*: Customer, Usage and Demand Charges.
- *Surcharges*: Additional charges imposed by GRU outside Gainesville city limits
- *Residential*: A nontransient single family residential home or apartment dwelling
- *Nonresidential*: Any structure that is not a single family home or apartment dwelling. (Even if someone lives on the premises, e.g. shelters in churches and motels are still non-residential.)
- *Taxes*: Utility taxes, apply only to nonexempt nonfuel revenues. All other taxes, such as Gross Receipts Tax and Sales Tax, apply to both fuel and nonfuel revenues, and may be subject to certain exemptions for sales taxes only.
- *Fees:* Stormwater, disconnection, connection, special services or equipment, etc.

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Service Area and Surcharges

GRU provides electricity to approximately 110,000 METERS. Just under 40% of these meters are located beyond City of Gainesville limits in the Alachua County unincorporated "urban fringe". These County meters are charged a PYRAMIDED SURCHARGE, equal to the City of Gainesville Utility Tax, IN ADDITION TO COUNTY UTILITY TAX, and other taxes.

Approximately 10% of all GRU electric meters are classified as "Nonresidential". These GRU meters receive about 50% of GRU retail electricity.

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Residential GRU customers face one big, ugly, bundled monthly pay it all or be disconnected GRU electric bill. The only strategy is to lower Kwh consumption through conservation and/or solar. Nonutility City of Gainesville Stormwater and Garbage Fees are tied to the electric meter. In the urban fringe, Stormwater and Garbage Fees go onto the ad valorem property tax bill, but the pyramided GRU surcharges and County Utility Taxes kick in.

Residential vs. Nonresidential Classification

The term, "Residential" is legally a very technical term. Any GRU electric meter that is not "Residential" is Nonresidential per se. There are profound consequences that attach to the GRU rate classification assigned. I stress that I refer to METERS – not customers or buildings. It is impossible to overemphasize that for optimal outcomes, either a Multi-Family Residential & Nonresidential building MUST HAVE the correct number of meter(s), the meter(s) must be located in the correct place(s), the correct type of meter must be installed, AND the optimum electric rate must be obtained.

In the near future, universal TIME-OF-DAY GRU pricing will come into play as well. Uneconomic metering will cost the GRU electric customer dearly. Introduction of solar power into multimeter nonresidential buildings is optimized by expert rate analysis.

A GRU "Residential" meter must be:

1. Purely residential
2. Nontransient (the definition is somewhat vague and varies between GRU and the Florida Dept. of Revenue (DOR)).

There are special carve-outs for off campus fraternities and sororities. The status of the St. Francis House is unclear. Questions arise as to the classification of apartment complex common areas such as lounge, pool, exercise room, maintenance closets, etc.

If an amenity is provided to all tenants equally without additional charge, then the appurtenant meter should be “Residential”. Any second Residential GRU electric meter has been arbitrarily and sometimes incorrectly classified as Nonresidential by GRU. Importantly, Residential rates are very different and generally lower than Nonresidential rates, and sales taxes do not apply. Changes in use also can require a new GRU rate classification.

Nonresidential Rates and Categories

Nonresidential GRU electric rates are different, generally higher and extremely complex, and can be subject to sales taxes (there are myriad, complex exemptions).

For the so-called “small” Nonresidential GRU electric customer, there is double the residential “Customer Charge”, and a very high double the residential Kwh rate from 1-1500 Kwh & 1500- Kwh, plus sales taxes, if applicable. Such a GRU ratepayer is further classified as “Nondemand”.

Demand Rates and Load Charges

If your Nonresidential GRU electric meter EVER registers consumption of 50 kilowatts (KW) in ANY 30-minute interval, computed as two (2) consecutive 15-minute intervals averaged, then your GRU electric rate classification on that meter that month AUTOMATICALLY SHIFTS WITHOUT NOTICE TO A “DEMAND” RATE!

If you do not hit 50 KW for 12 months, the GRU electric meter automatically shifts to Nondemand, WITHOUT NOTICE.

Please pay close attention from now on. A GRU “DEMAND” meter plays triple the Nondemand Customer Charge, plus over $11.55 KW above 50 KW, 35 KW billed as a minimum. In turn the GRU Kwh charge is about 50% less than the Nondemand rate.

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Simplified, if you pay GRU $515.24 in fixed charges monthly, you are billed a 50% discounted Kwh charge, subject to a "Demand Charge" of $11.55 KW over 50 KW – without limit. A minimum of 35 KW is billed.

October 2024: NONRESIDENTIAL ELECTRIC RATE STRUCTURE CHOICES

		NONDEMAND	*DEMAND	TIME-OF-USE-RATE
Customer Charge		$35.00	$111.00	$40.00
*Demand Charge		0	$11.55 per highest 30 minute usage in kW during a billing cycle.	
Usage Rates	1-1500	.0118 per kWh	.0742 per kwh	ON PEAK: .2972 per kWh
	1500-	.1486 per kWh		OFF PEAK: .0559 per kWh

*"Demand Shall Mean the greatest Average amount of electric power measured in Kilowatts required by a consumer throughout any 30 minute interval each billing month"

** Minimum Demand Charge- A demand customer will be billed for at least 35 kw regardless - of actual measured demand 0 **$515.25+

Question: At what total Kwh does it make sense to switch to Demand under various Scenarios? Switching from Nondemand to Demand or vice versa should be made with the opinion of an independent expert. *THE FOX (GRU) SHOULD NOT BE GUARDING YOUR HEN HOUSE.*

Possible Savings

What practically NOBODY understands is that:

1. Only the ONE (1) highest 30-minute interval is billed per month for KW "load" at $11.55/KW, minimum of 35.
2. You can shift GRU rate plans by Contract.

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3. That minimization of the KW (load) charge can save significant amounts of money. Replacement equipment will generally not affect load
4. That load management in conjunction with a contract rate and solar power, can and has alone cut some GRU electric bills by 50%.
5. Load management extends the life of certain electrical equipment.

Consider this a brief introduction to understanding your Residential & Nonresidential GRU bills. For more information, go to whypaygrumore.com.