



Florida Association of RV Parks & Campgrounds

SUB-METERING ELECTRICITY IN RV PARKS

On July 14, 1987 the Public Service Commission began to allow campgrounds and RV parks to Sub-Meter their electricity. Sub-Metering is now allowed by almost all utility providers, and in most circumstances you are also allowed to put in your own distribution system. Meters can be purchased from any company you like. You do not have to purchase your meters from your utility. However, your utility does have the right to issue rules that govern how accurate your meter must be. There is one very important rule you must follow — The resale of electricity is forbidden and campground owners must not use the sale of electricity to make a profit.

JUST REMEMBER:

YOU CANNOT MAKE MONEY FROM THE RESALE OF ELECTRICITY.

The following is a suggested cost allocation method which is probably compatible with your local utility provider (check with your utility company):

COST ALLOCATION METHOD

- 1. From the previous month's utility bill, determine the total utility billed cost.**
Add up that month's charges, including fees and taxes charged by the utility company, but excluding: late payment charges, the cost of the distribution system behind the meter, sub-meter billing cost, other non-tariff costs.
- 2. From the previous month's utility bill, determine the total energy usage in kwh.**
- 3. Divide the total utility billed "cost" by the total previous month kwh to obtain an average cost per kwh.**
- 4. Post this charge in your registration area and use the posted charge to allocate cost by multiplying the metered use of each camper, until the next month's charge is calculated.**

EXAMPLE: If the electric bill for the master meter for your campsites was \$500 last month and 6250 kwh were used, you would charge .08 cents per kwh during this current month. The 8¢ rate would be posted in your registration area.

COMMON Q&A:

What if I use two separate master meters? You have a choice. You may combine or separate. But you may not use the highest master meter to cover any other meter.

What if I have other things on my master meter besides campsites? If you have something like a sewer plant or pool on the same meter with campsites, you cannot include those costs in your campsite kwh charge.

How do you handle the sales tax in the utility charge? Do you pro-rate it? Do you charge sales tax on it? There is no sales tax here because it's not a service. It is non-taxable income.

How do you check meters? There are many methods of calibration. You can buy a master meter and then check your individual sub-meters off it. Or, you can get a standard calibration device. If you hook two or three meters together in a series you can see if they all are regular. The easiest way is to contract with your local utility provider or a private company.

Check with your attorney and local utility before you follow the above advice. Naturally every park has its own local circumstances. In addition, there are many companies who specialize in sub-metering and electrical systems for RV Parks, and they can be very helpful. To receive a listing of these companies, contact the Florida ARVC office at 850-562-7151.