

Frequently Asked Questions

When did the U.S. Army create a policy that residents pay for their excess utility usage?

The Army's utility policy is based on the Office of the Secretary of Defense's policy to provide incentives to occupants of privatized housing to decrease utility consumption and save energy. The Army policy was written more than two years ago; however, at Fort Rucker we are beginning the program in Army-renovated homes in Allen Heights and newly constructed homes in Munson Heights.

Who actually meters the homes?

The RCI development partners (i.e. Picerne Military Housing) have elected to use a third-party utility service, like Ista, to read meters and inform residents of their consumption and baseline data. These third-party consultants are experts in energy conservation and billing and will manage the process in a fair and equitable way.

How does this program work?

The family housing provider establishes an appropriate baseline for utilities usage. Then, usage reports or "mock bills" will be sent to show residents how much electricity and natural gas they are using compared to their neighbors in like homes. Baselines will be established using the Average Baseline Model. During the "mock billing," residents will not be responsible for paying any overages nor will they receive rebates for savings. Following the "mock billing" period, actual rebates and billing will commence. The utilities consumption baseline will be adjusted each month to account for weather changes.

How is the baseline calculated?

Baseline calculation – The baseline is recalculated each month by taking like homes, removing vacant homes, faulty data and the top and bottom 10 percent of homes. The consumption of the resulting 80 percent will then be averaged.

Buffer – Any resident consuming an amount that is above the baseline by 5 percent or less will not be billed. Any resident consuming an amount that is more than 5 percent above the baseline will be billed for the difference between the baseline (average) and their actual consumption.

Trigger Point – All bills and credits will be subject to a minimum \$15 trigger point. If the amount owed or the amount of the rebate for conservation is less than \$15, that amount will accrue to the next month. Once any amount is \$15 or greater, a bill will be generated or a rebate check will be issued.

Can you give us an example of how this will work?

If the average cost of electricity for like homes for a month is \$100, any family that is between \$100 and \$105 (5% above the baseline), will have \$0 due. Anyone using less than \$100 worth of electricity will receive a rebate or credit. Anyone above \$105 will be responsible for the difference between what they used and the \$100 baseline average. If the difference is under \$15, it carries to the next month and nothing is owed. Anything above \$15 is owed. In the same example, residents below the \$100 baseline average for that month receives a rebate or credit for conserving energy. Just like balances due, if credits are under \$15, they are carried to the next month. If the amount below the baseline is more than \$15, a

check is sent and the balance is \$0 again. The residents' BAH pays for the consumption up to the baseline.

How will this be affected by harsh weather?

By using the current average usage as the baseline, weather will automatically be accounted for. During a harsh winter or an unusually warm summer, the baseline will move accordingly so the percentage of the variances from the baseline should remain consistent.

What does BAH pay for?

The Basic Allowance for Housing includes three components: rent, utilities and renters insurance. Remember, that if utility usage is above the established baseline, residents will owe the difference. If it is below the baseline, you will receive a rebate. You will not have to pay the entire utility bill out of pocket – only the difference above the baseline.

What if the home I live in is not energy efficient?

Your home will be grouped with like homes in order to establish the baseline. Consumption among that group of homes should be similar for the average.

Why are Soldiers being held responsible for their utilities?

Responsibility means awareness of usage and conservation. You know you will owe money for excessive usage; therefore there is awareness about conserving energy and bringing the usage down.

