



# Approval of Review & Amendments to Rate Policy

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# Rate Policy

## Background

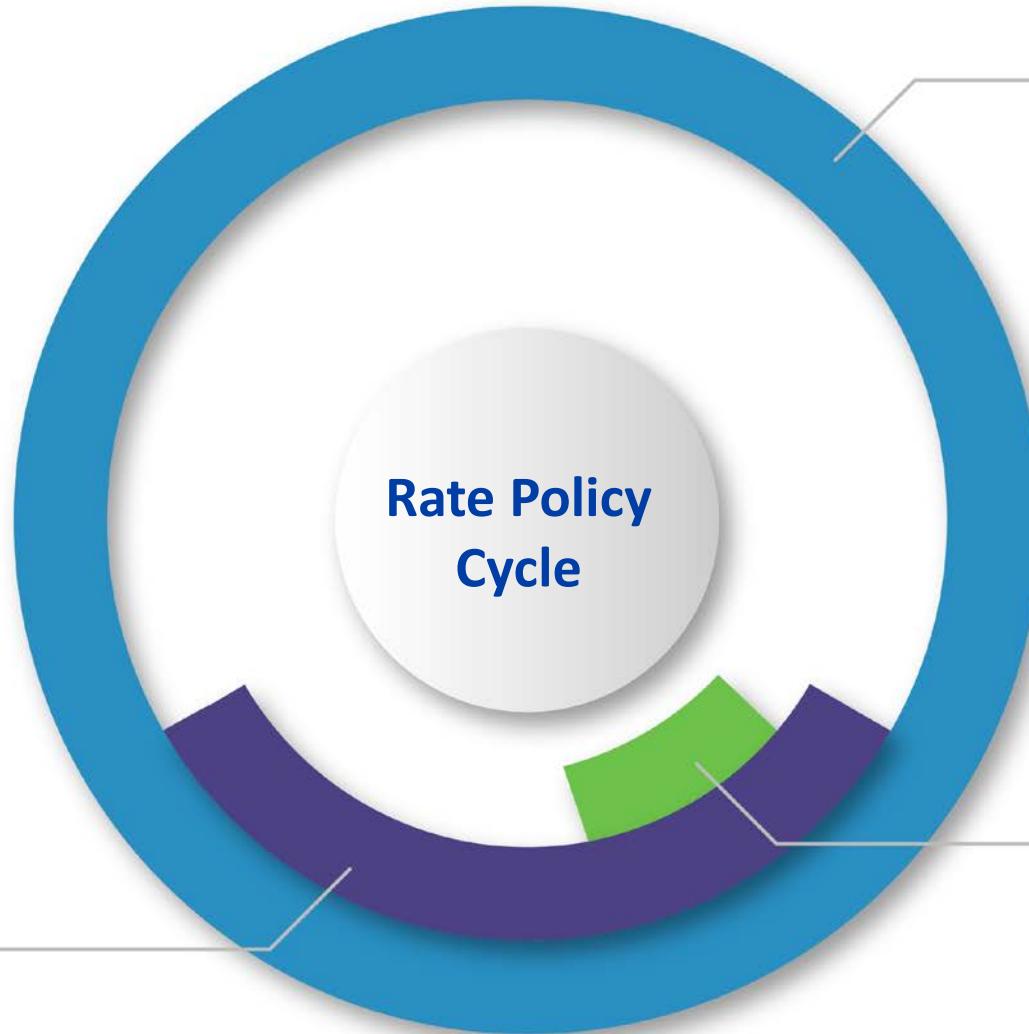
- First introduced in July 2011 and last updated in August of 2019
- The Rate Policy guides the Rate Policy Cycle which includes:
  - Cost of Service Study requirement
  - Rate Plan requirement
  - Quarterly reporting
- In addition, the Rate Policy provides detail on:
  - Rate design objectives
  - Guidelines for rate adjustments or changes
  - Oversight from Rates Committee
  - Makeup of Rate Committee
- Scheduled for review August 2022

# Rate Policy Cycle

## EVERY YEAR

### Rate Plan

- Presented to both the Rates Committee and the Board of Directors
- Recommendations for upcoming year



## EVERY 3 YEARS

### Cost of Service Study

- All rates, fees and allowances reviewed
- Due to complete new study in 2023

## EVERY QUARTER

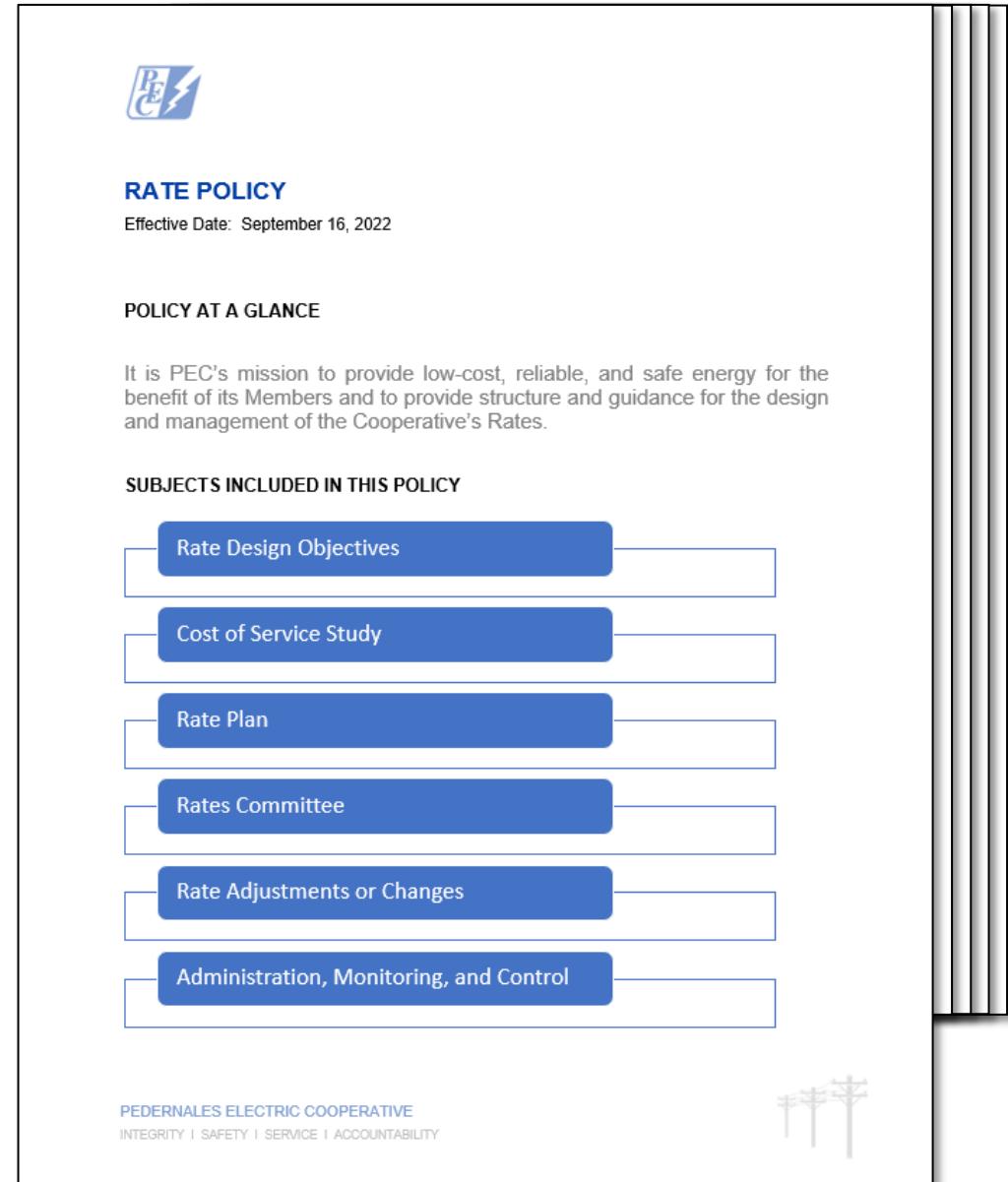
### Board of Directors Report

- Implementation of the Rate Plan
- Reserve balances
- Revenue recovery
- Rate competitiveness

# Rate Policy

## Changes Proposed

- Update Policy format to align with latest Board Policy formatting
- Update language in purpose of policy to align with PEC mission statement
- Addition of Vice President of Member Relations to Rates Committee
- Changed review cycle from 3 years to 5 years
- Other minor formatting



The image shows a page from the PEC Rate Policy document. At the top is the PEC logo. Below it is the title "RATE POLICY" and the "Effective Date: September 16, 2022". A section titled "POLICY AT A GLANCE" contains a mission statement: "It is PEC's mission to provide low-cost, reliable, and safe energy for the benefit of its Members and to provide structure and guidance for the design and management of the Cooperative's Rates." A section titled "SUBJECTS INCLUDED IN THIS POLICY" lists six items in blue boxes: "Rate Design Objectives", "Cost of Service Study", "Rate Plan", "Rates Committee", "Rate Adjustments or Changes", and "Administration, Monitoring, and Control". At the bottom is the PEC logo and the text "INTEGRITY | SAFETY | SERVICE | ACCOUNTABILITY". There are also small icons of utility poles and lines.

**RATE POLICY**  
Effective Date: September 16, 2022

**POLICY AT A GLANCE**

It is PEC's mission to provide low-cost, reliable, and safe energy for the benefit of its Members and to provide structure and guidance for the design and management of the Cooperative's Rates.

**SUBJECTS INCLUDED IN THIS POLICY**

- Rate Design Objectives
- Cost of Service Study
- Rate Plan
- Rates Committee
- Rate Adjustments or Changes
- Administration, Monitoring, and Control

**PEDERNALES ELECTRIC COOPERATIVE**  
INTEGRITY | SAFETY | SERVICE | ACCOUNTABILITY



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