



Approval of Review & Amendments to Rate Policy

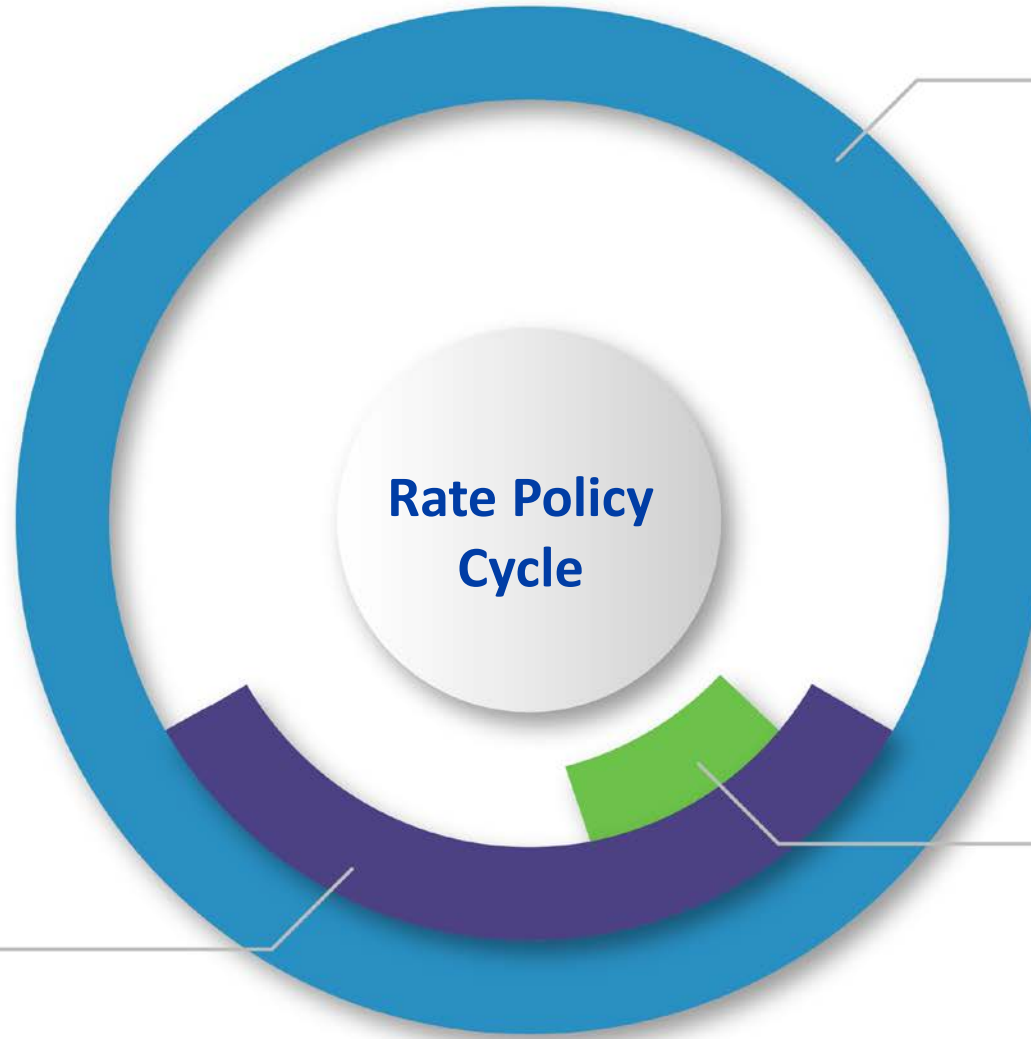
Natalia A. Mack | Rates Manager

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



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

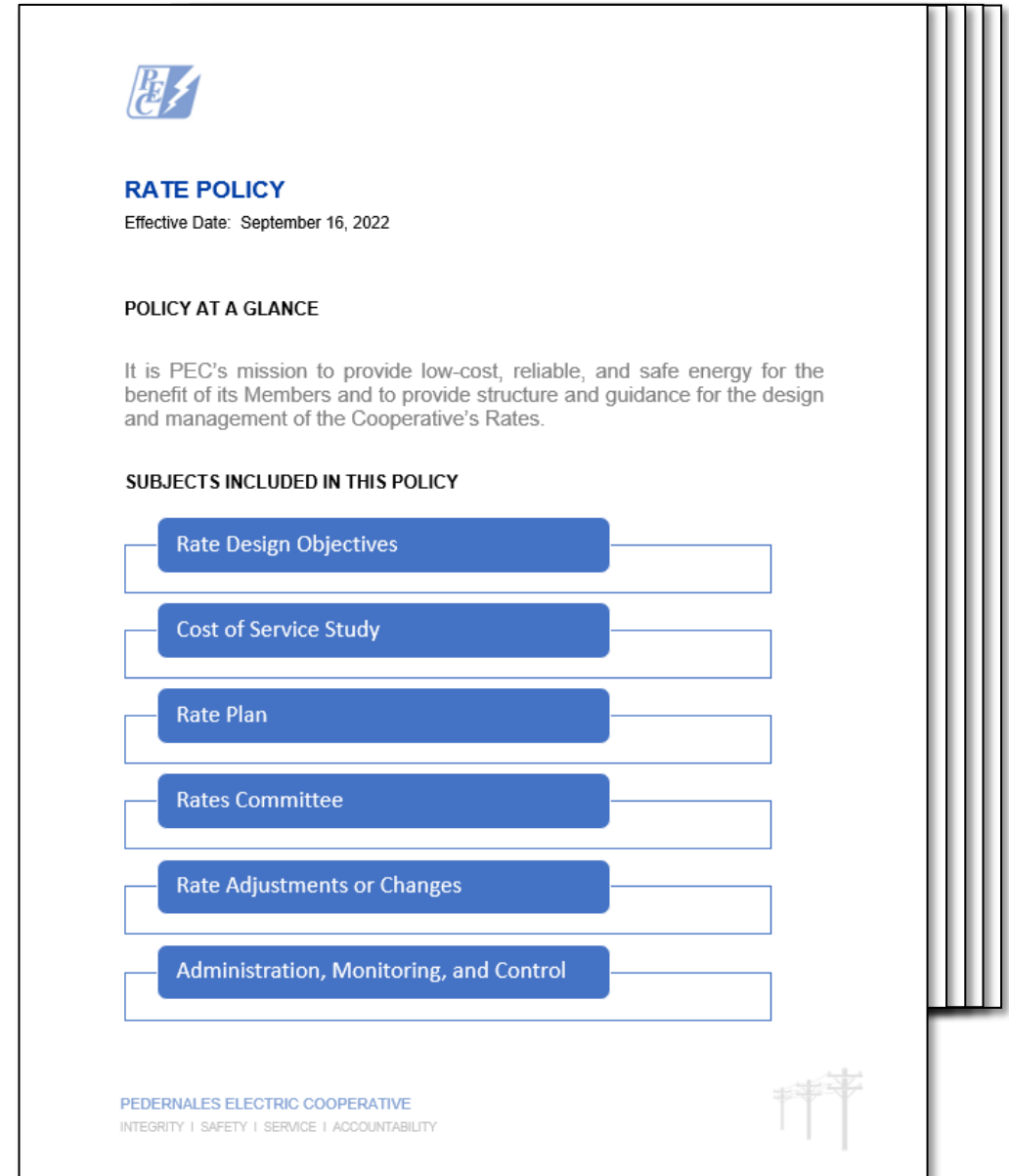
Board of Directors Report

- 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 preview of a document titled "RATE POLICY" for the Pedernales Electric Cooperative. The document includes the PEC logo, the title "RATE POLICY", and the effective date "September 16, 2022". It features a section titled "POLICY AT A GLANCE" with 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." Below this is a section titled "SUBJECTS INCLUDED IN THIS POLICY" which lists seven topics in blue boxes: Rate Design Objectives, Cost of Service Study, Rate Plan, Rates Committee, Rate Adjustments or Changes, and Administration, Monitoring, and Control. The footer contains the text "PEDERNALES ELECTRIC COOPERATIVE" and "INTEGRITY | SAFETY | SERVICE | ACCOUNTABILITY" along with a utility pole icon.



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





PEDERNALES ELECTRIC COOPERATIVE