



2021 Rate Plan

Natalia Mack | Rates Manager

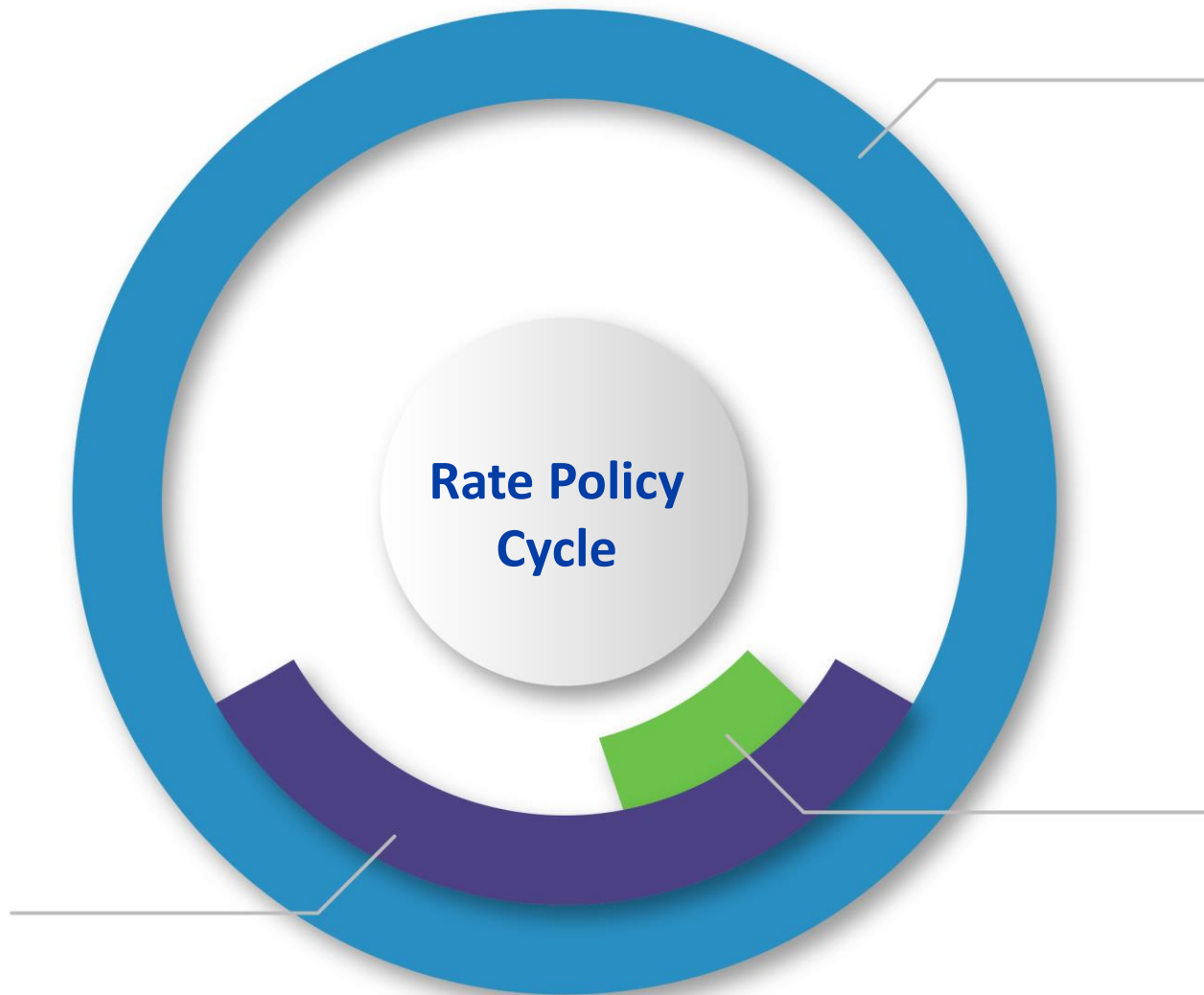
David L. Thompson | VP of Markets

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

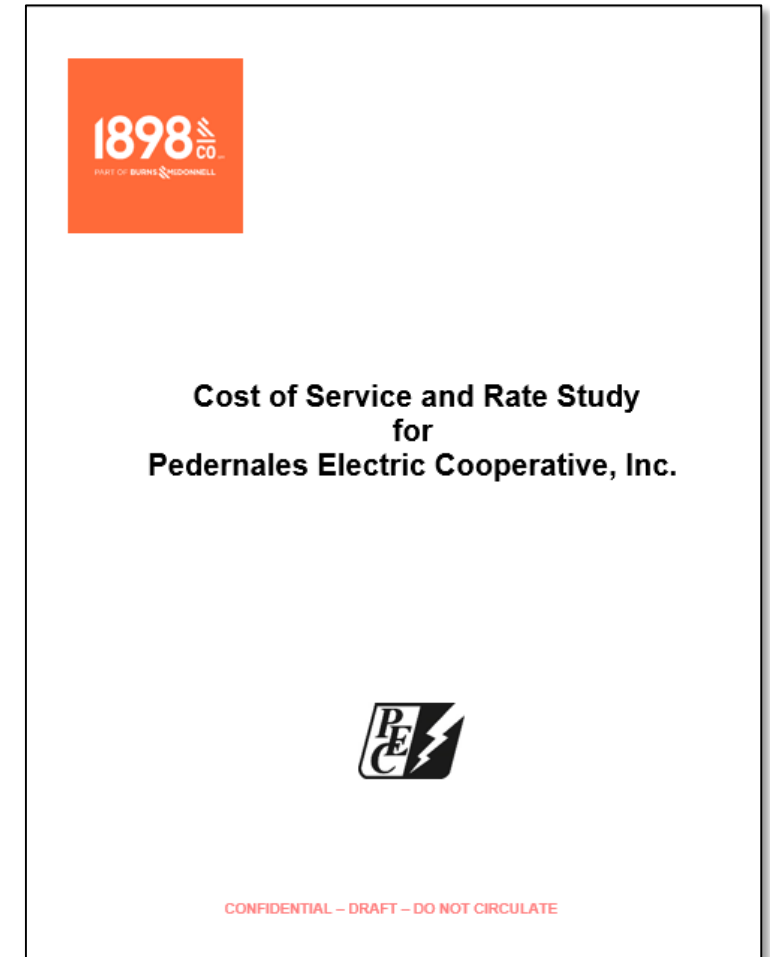
EVERY QUARTER

Board of Directors' Report

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

Cost of Service Study (COSS) - 2020

- The 2020 Cost of Service Rate Study has been completed.
- A public version of the report will be posted to the Document Center on pec.coop.
 - Staff will remove out-of-date documents from site.
- In 2021, we will review all line extension allowances and processes now that changes have been implemented as approved by the Board of Directors in 2019 and 2020.
- In 2022, staff will begin the next Cost of Service Rate Study.



2021 Rate Plan

Rate Plan Recommendations made possible with the following efforts:

- Worked for more than a year with IT on combining all registration, billing, and mapping data into a single database allowed for a much more detailed COSS for 2020.
- Worked diligently with NiSC (PEC's billing system) on the ability to bill rate options that closely align more with how PEC incurs costs.
- Rollout of the Advanced Meter Infrastructure (AMI) allowing for rates that align closer with how PEC incurs costs.
 - i.e. currently PEC recovers the majority of distribution costs from Members on a energy basis (kWh) while the costs are incurred based on a demand basis (kW).



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