



Legislation Details (With Text)

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Title: Resolution - Approval to Amend Tariff and Business Rules - 2021 Rate Plan Items - N Mack | D Thompson

Sponsors:

Indexes:

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Attachments: 1. 2020-12-18 Tariff and Business Rules - Rate Plan Round 1 (Clean), 2. 2020-12-18 Tariff and Business Rules - Rate Plan Round 1 (Redline), 3. 2020-12-18 Tariff and Business Rules Amendments for 2021 Rate Plan Items presentation - N Mack D Thompson

Date	Ver.	Action By	Action	Result
12/18/2020	1	Board of Directors	approved as amended	Pass

Resolution - Approval to Amend Tariff and Business Rules - 2021 Rate Plan Items - N Mack | D Thompson

Submitted By: Robyn Miller on behalf of David Thompson

Department: Markets

Financial Impact and Cost/Benefit Considerations:

Expenditure of Cooperative funds is not anticipated to be impacted; expenditures of staff time not anticipated to be impacted. Recommended Rate changes will aim to resolve under-collecting from current rates as shown in the 2020 Cost of Service Study.

The Board approved its 2021 Rate Plan in November 2020 pursuant to its Rate Policy. The Rate Plan is updated annually and defines how the Cooperative anticipates recovering its costs. As part of the annual Rate Plan, the rate component amounts are reviewed to determine if they collect and track with the Cooperative's actual costs. The Transmission Cost of Service Charge and the Base Power Charge require adjustment. The Transmission Cost of Service Charge needs to be raised \$.001000 per kWh to align with increasing transmission access costs incurred by the Cooperative. The Flat Base Power Charge needs to be lowered \$.001000 per kWh and the TOU Base Power Charge needs to be lowered accordingly to align with decreasing power costs incurred by the Cooperative. The net bill impact of these Rate adjustments will be neutral to all Members with the exception of certain Time-of-Use Members based on their specific usage patterns.

Furthermore, the 2020 Cost of Service Study and the 2021 Rate Plan recommended the following actions:

- Update the shapes of the Time-of-Use Base Power Charge and establish a process to review these shapes annually, and make recommendations to Time-of-Use Base Power Charge as part of the annual Rate Plan review.
- Remove the following Rates as either are no longer necessary or required:
 - The College Discount Rider (Current Tariff Section 500.3.6)
 - The Revenue Adjustment Factor (RAF) (Current Tariff Section 500.1.12)
 - The Power Plant Start Service (Current Tariff Section 500.2.2.4)

- Convert the various billing options (EBilling, EDraft, and ESaver) to separate line item credits as applicable on a Member's bill.

Tariff amendments and effective dates shown below:

- Revenue Adjustment Factor - Section 500.1.12 Removed; effective immediately upon Board approval
- Power Plant Start Service Rate - Section 500.2.2.4 Removed; effective immediately upon Board approval
- College Discount Rider - Section 500.3.6 Removed; effective March 1, 2021
- Base Power and Time-of-Use Rate Changes - Sections 500.1.7 changed; effective March 1, 2021
- TCOS Rates Change - Section 500.1.8 changed; effective March 1, 2021
- Residential Billing Options to Discounts - Sections 500.1.2 to 500.1.4 Added and Sections 500.2.1.2 to 500.2.1.4 Removed; effective April 1, 2021

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approves those amendments to the Tariff and Business Rules in accordance with the 2021 Rate Plan and attached this day, with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take all such actions as needed to implement this resolution.