



Legislation Text

File #: 2021-022, Version: 1

Draft Resolution - Approval to Amend Tariff and Business Rules - Industrial Power Rate - N Mack/D Thompson

Submitted By: Robyn Miller on behalf of Markets

Department: Markets

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds is not anticipated to be impacted; expenditures of staff time is not anticipated to be impacted.

Recommended changes to the Industrial Power Service Rate schedule better align the rates with the Cooperative's costs to provide service.

The Cooperative's Rate Policy requires a Cost of Service Study to be conducted at regular intervals to guide rate design and as an input to the Rate Plan. The Rate Plan defines how the Cooperative anticipates recovering its costs from members for services provided during the upcoming year.

The 2020 Cost of Service Study recommended PEC adjust the Tariff and Business Rules (the "Tariff") as to "Industrial Power Service" Section 500.2.2.3 by decreasing the Capacity Demand Charge from: \$ 0.840000 kW to \$0.580000 kW. The Capacity Demand Charge generally recovers the cost associated with the maintenance and operations of the distribution infrastructure and other related costs.

In addition, this rate had been designed for a unique member load and site and will be reflected as "Closed to New Members or Applicants as of March 1, 2021" to ensure transparency and clarity of the Tariff.

Tariff amendment and effective date is shown below:

- Industrial Power Service, Section 500.2.2.3 - Effective March 1, 2021

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto 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.