



## Legislation Text

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### **Draft Resolution - Approval to Amend Tariff and Business Rules - Large 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 Large Power Service rate schedule allows the Cooperative to better align this rate with the Cooperatives costs to provide service.

The Cooperative's Rate Policy requires a Cost of Service Study to be conducted at regular intervals to inform 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 (COSS) recommended PEC adjust the Tariff and Business Rules (the "Tariff") as to the Large Power Service rate schedule Section 500.2.2. These changes more closely align with the Cooperative's cost to serve as well as send a more granular price signal to Large Power Members allowing them to possibly better control their costs.

The COSS recommended the following changes:

- (1) Reduce the threshold for demand to place a member into the Large Power class from 75kW to 50kW;
- (2) Recover the transmission cost based on 4CP demand;
- (3) Recover power cost based on time-of-use time periods; and
- (4) Recover its distribution infrastructure costs based on a charge on the member's maximum demand during the time-of-use peak and super peak time periods.

Tariff amendments and effective dates are shown below:

- Capacity Demand Charge, Section 500.1.6 - effective January 1, 2022
- New Section/Charge: Peak Demand Charge, Section 500.1.7 - effective January 1, 2022
- Large Power Service, Section 500.2.2.2 - effective January 1, 2022

**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 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.