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**SECTION D  
RATE SCHEDULES**

**Power Supply Cost Recovery Clause**

This clause permits the monthly adjustment of rates for power supply to allow recovery of the booked costs of purchased power incurred under reasonable and prudent policies and practices.

For purposes of this clause, the following definitions apply:

"Power supply cost recovery factor" means that element of the rates to be charged for electric service to reflect power supply costs incurred and made pursuant to a power supply cost recovery clause incorporated in the rates or rate schedule.

"Power supply cost recovery plan" means a filing made annually describing the expected sources of electric power supply and changes over a future 12-month period specified by the Commission and requesting for each of those 12-months a specified power supply cost recovery factor.

"Power supply costs" means those elements of the costs of purchased power as determined by the Commission to be included in the calculation of the power supply cost recovery factor.

The Power Supply Cost Recovery factor shall, in accordance with the hearing procedures adopted by the Michigan Public Service Commission, consist of 0.01126 mills per kilowatthour for each full .01 mills per kWh, of power supply costs, rounded to the nearest .01 mills per kilowatthour. The power supply cost recovery factor to be applied to Ontonagon County Rural Electrification Cooperative, "Cooperative", retail Member-Consumers' monthly kilowatthour usage represents the power supply costs as established by Commission Order pursuant to a power supply and cost review hearing conducted by the Commission. The power supply and cost review will be conducted not less than once a year for the purpose of evaluating the power supply cost recovery plan filed by Cooperative and to authorize appropriate power supply cost recovery factors.

Not more than 45 days following the last day of each billing month in which a power supply recovery factor has been applied to Member-Consumers' bills, Cooperative shall file with the Commission a detailed statement for that month of the revenues recorded pursuant to the power supply cost recovery factor and the allowance for cost of power included in the base rates established in the latest Commission order for Cooperative and the cost of power supply.

(Continued on Sheet No. D-1.01)

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General Manager  
Ontonagon, Michigan



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Power Supply Cost Recovery Clause  
(Continued from Sheet No. D-1.01)

For the twelve months ending December 2010, the Power Supply Cost Recovery Factor is \$0.00510 per kWh. The allowance for cost of power supply included in base rates is \$0.09229 per kWh.

Should the Cooperative apply lesser factors than those above, or if the factors are later revised pursuant to Commission Orders or 1982 PA 304, the Cooperative will notify the Commission and file a revision of the above factor.

The following factors are applied pursuant to 1982 PA 304 in the 12 billing months ending December 2010:

<u>Year</u>	<u>Month</u>	<u>2010 Plan</u> <u>Year</u> (per kWh)	<u>Actual</u> <u>Factor</u> <u>Billed</u> (per kWh)
2010	January	\$0.00510	\$0.00510
2010	February	\$0.00510	\$0.00510
2010	March	\$0.00510	\$0.00510
2010	April	\$0.00510	\$0.00510
2010	May	\$0.00510	\$0.00510
2010	June	\$0.00510	\$0.00510
2010	July	\$0.00510	\$0.00510
2010	August	\$0.00510	\$0.00510
2010	September	\$0.00510	\$0.00510
2010	October	\$0.00510	\$0.00510
2010	November	\$0.00510	\$0.00510
2010	December	\$0.00510	\$0.00510

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**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted at the conclusion of 2009 (filed by April 30, 2010) and annually thereafter.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2009-2011</u> <u>\$/kWh</u>
D-4.00	Schedule A	<b>\$0.00242</b>
D-5.00	Schedule AH	<b>\$0.00242</b>
D-6.00	Schedule AS – Seasonal Residential Service	<b>\$0.00242</b>

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2009-2011</u> <u>\$/meter/month</u>
D-7.00	Schedule B – General Service	<b>\$2.26</b>
D-8.00	Schedule LP –Large Power Service	<b>\$14.93</b>
D-19.00	Schedule LP 1 – Large Power Service (over 150 kW)	<b>\$77.70</b>
D-11.00	Schedule LP-1-C – Large Power (Over 150 kW – Choice )	<b>\$77.70</b>
D-12.00	Schedule LP-C - Large Power Service Rate – Choice	<b>\$14.93</b>

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General Manager  
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**Requirements for Pole Attachments**

The Cooperative may permit a cable television company or other attaching party (as defined in paragraph 1(a) of 1980 PA 470; MCLA 460.6g) to make attachments to its poles, ducts or conduits pursuant to contract between the Cooperative and the attaching party. Upon execution, copies of such contracts shall be filed with the Michigan Public Service Commission. Effective April 1, 1997, the annual pole attachment rate shall be \$3.74 per pole per year.

Attaching parties must obtain any necessary authorizations to occupy public or private rights-of-ways prior to execution of a contract with the Cooperative.

This sheet shall not apply to attachments made or proposed to be made by utilities (as defined in paragraph 1(d) of 1980 PA 470) to the facilities of the Cooperative.

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REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES  
(COGENERATORS AND SMALL POWER PRODUCERS)

In order to provide for the safety of Member-Consumers, utility personnel, and others, and to assure reliable electric service consistent with the requirements of the Public Utility Regulatory Policies Act of 1978 and the Michigan Public Service Commission's Order in Case No. U-6798, the following requirements are established for connection and/or operation of Member-Consumer generation facilities in parallel with the Cooperatives distribution system:

Availability

These requirements include all Member-Consumer generation facilities under 100 KW. Member-Consumer generation facilities of 100 KW and over will be handled on an individual basis.

If the Member-Consumer does not meet all of the requirements listed below the Cooperative may require termination of parallel operation and the Member-Consumer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the Member-Consumer's generation facility. These requirements apply to both existing and proposed installations and are subject to change with approval of the Michigan Public Service Commission from time to time.

Safety and Reliability Requirements

The Member-Consumer shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Member-Consumer's power sources and a site plan.

The Member-Consumer's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the Member-Consumer's generator and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the Member-Consumer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and or current deviate from normal utility standards. The Member-Consumer shall be liable if the Member-Consumer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

(Continued on Sheet No. D-3.01)

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**REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES**  
(Continued from Sheet No. D-3.00)

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

The Member-Consumer shall advise the Cooperative prior to making any revisions to the Member-Consumer's generation facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

Should the parallel operation of the Member-Consumer's generation facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or other Member-Consumers' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Reimbursement of Costs

The Member-Consumer shall pay for all costs associated with any addition to or alteration of the Cooperative's equipment required for metering and for the safe and reliable operation of the Member-Consumer's generating equipment in parallel with the Cooperative's system. The Member-Consumer shall also pay for costs of changes required due to safety or adverse effects on other Member-Consumers and/or on the Cooperative caused by the connection and/or operation of the Member-Consumer's generation facility.

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

Rates for Sales to Cooperative

Cogenerators and small power producers may operate under one of the following options:

Option I

The Member-Consumer may have a detente installed on its single KWH meter and opt to sell no power to the utility.

(Continued on Sheet No. D-3.02)

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REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES  
(Continued from Sheet No. D-3.01)

Option II

The Member-Consumer may install a second KWH meter to meter energy sold to the Cooperative. The Cooperative will pay per KWH purchased from the Member-Consumer.

Option III

The Member-Consumer may enter into a contract for at least four years providing for the sale of both capacity and energy. The Cooperative may require a test period, subject to MPSC approval, wherein the exact amount of capacity available for sale can be determined. During this period sales will be made subject to Option II.

Capacity is equal to KWH purchased/720. However in no event will demand payments be made in any month when demand is less than KWH purchased/720 for any of the Cooperative's four weekly system peaks.

After the contract is executed the utility will pay \_\_\_\_ per kWh purchased. The Cooperative will pay a rate per kW based upon the generation characteristics of the Member-Consumer as follows:

$$\text{Rate per KW} = \text{_____} \times (\text{availability factor}) \\ \times (\text{capacity factor})$$

Availability and capacity factors will initially be based on estimation but may be adjusted if justified by actual performance.

Member-Consumers selling capacity recognize that, under certain operating conditions, the Cooperative will require the qualifying facility to back down its generation.

Recovery of Administrative Costs

Member-Consumers choosing options II and III will be assessed a 1 mill/KWH surcharge to cover administrative costs.

(Continued on Sheet No. D-3.03)

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**REQUIREMENTS FOR OPERATION OF  
PARALLEL GENERATION FACILITIES**  
(Continued from Sheet No. D-3.02)

Calculation of Avoided Costs

Pursuant to the Commission's Order in Case No. U-6798, dated August 27, 1982, Ontonagon's avoided costs are based upon the average rate paid to its power suppliers. The power supply bills used to derive avoided energy costs and avoided capacity costs will be kept on file at Ontonagon. Ontonagon personnel will be available to explain how this methodology is applied to these bills so as to derive the avoided costs for any particular billing period.

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**SCHEDULE A**

Availability:

Available in all territory served by the Association, subject to the Association's established service rules and regulations.

Applicability:

Applicable to rural residential consumers for all uses in the home and on the farm, including service to public buildings, such as schools, churches and community halls.

Type of Service:

Single-phase, 60 cycles, at available secondary voltages.

Rate:

Service Charge: \$12.00 per month  
Energy Charge: 16.685¢ per kWh for all kWh

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Minimum Monthly Charge:

Service charge included in the rate.

Sales Tax:

Michigan State Sales Tax will be added where applicable.

Terms of Payment:

This rate schedule is subject to the Association's Allowance Charges as set forth on Sheet No. B-5.00.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Association's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

(Continued on Sheet No. D-4.01)

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**SCHEDULE A (Contd)**  
**(Continued from Sheet No. D-4.00)**

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
  
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE AH**

Availability:

As of January 15, 2009, this rate is only available to customers currently taking service on Schedule AH, subject to the Association's established service rules and regulations.

Applicability:

Any monthly billed rural residential consumer in a single family dwelling with Geo-Thermal heating or electric space heating provided the facilities are permanently installed and the primary source of space heating.

Type of Service:

Single-phase, 60 cycles, at available secondary voltages.

Rate:

Service Charge: \$12.00 per month

Energy Charge:

For billing months June  
through September 15.14¢/kWh for all kWh

For billing months October  
through May 15.14¢/kWh for 1st 500 kWh  
13.53¢/kWh for the excess

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Minimum Monthly Charge:

Service charge included in the rate.

Sales Tax:

Michigan State Sales Tax will be added where applicable.

(Continued on Sheet No. D-5.01)

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**SCHEDULE AH (Contd)  
(Continued from Sheet No. D-5.00)**

Terms of Payment:

This rate schedule is subject to the Cooperative's Allowance Charges as set forth in R 460.122 (see Sheet No. B-5.00).

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE AS**  
**SEASONAL RESIDENTIAL SERVICE**

Availability:

Available in all territories served by the Association, subject to the Association's established service rules and regulations.

Applicability:

Applicable to residential consumers for service to residence, located adjacent to existing distribution lines, which are occupied for periods aggregating not more than nine months per year. If the premises are occupied intermittently throughout the year, service need not be disconnected during periods of non-occupancy.

This schedule is not applicable to consumers for service to seasonal cabins for transients and other commercial seasonal service.

Type of Service:

Single-phase, 60 cycles, at available secondary voltages.

Rate:

Service Charge: \$204.00 per customer per year  
Energy Charge: 17.05¢ per kWh for all kWh

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

For the purpose of billing under this rate, the season shall begin October 1 and end on the following October 1. Billing shall be prorated for the first season electric service is used. Billing for succeeding seasons shall be the full charge for the season or for any portion thereof.

Minimum Charge:

The minimum annual charge shall be the service charge.

Sales Tax:

Michigan State Sales Tax will be added where applicable.

(Continued on Sheet No. D-6.01)

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**SCHEDULE AS**  
**SEASONAL RESIDENTIAL SERVICE (Contd)**  
**(Continued from Sheet No. D-6.00)**

Terms of Payment:

The minimum annual charge shall be paid in advance each year and shall accompany the request for service. In the event consumer fails to make prepayment and requires special after hours or weekend trip to reconnect, the Cooperative shall be entitled to charge the authorized charges for such service in addition to the annual charge.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE B**  
**GENERAL SERVICE**

Availability:

Available in all territories served by the Association to members with installed transformer capacity of 25 kVa or less subject to the Association's established service rules and regulations.

Type of Service:

Single-phase or multi-phase, 60 cycles, at available secondary voltages.

Rate

Service Charge:	
Single Phase	\$23.00 per customer per month
Three Phase	\$37.00 per customer per month

Energy Charge:	14.757¢ per kWh for all kWh
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**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Minimum Monthly Charge:

The minimum monthly charge shall be the service charge, **plus the Energy Optimization Surcharge amount shown on Sheet No. D-1.03.**

Sales:

Michigan State Sales Tax will be added where applicable.

Terms of Payment:

Bills are rendered net with payment due 21 days from date of bill. A 2% late payment charge will be added to bills not paid by the due date shown thereon.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

(Continued on Sheet No. D-7.01)

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**SCHEDULE B**  
**GENERAL SERVICE (Contd)**  
**(Continued from Sheet No. D-7.00)**

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
  
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE LP**  
**LARGE POWER SERVICE**

Availability:

Available to consumers served by Association's single or three-phase lines, for all types of usage with a billing demand of 10 kW or greater, subject to the established rules and regulations of the Association.

Rate:

\$14.70 per month per kW of billing demand plus energy charges of 8.80¢ per kWh for all kWh.

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Determination of Billing Demand:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

Power Factor Adjustment:

The consumer agrees to maintain unity power factor as nearly as possible. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90 percent, the demand for billing purposes shall be multiplied by the demand as indicated or recorded by the demand meter, multiplied by 90 percent and divided by the percent power factor.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Association's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Minimum Monthly Charge:

The minimum monthly charge shall be the demand charge but not less than the demand charge for 10 kW, **plus the Energy Optimization Surcharge amount shown on Sheet No. D-1.03.**

Type of Service

Single or triple-phase, 60 cycle, at Cooperative's standard or secondary voltages.

(Continued on Sheet No. D-8.01)

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**SCHEDULE LP  
LARGE POWER SERVICE (Contd)  
(Continued from Sheet No. D-8.00)**

Service Provisions

- A. Delivery point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment on the delivery point shall be owned and maintained by the consumer.
- B. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumers transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.
- C. Lighting. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, the registrations of the two watt-hour meters shall be added to obtain total kilowatt hours used and the registrations of the two demand meters shall be added to obtain the total kilowatt demand for billing purposes.
- D. Primary Service. A discount of \$0.12 per kVA of contract capacity will be applied to the bill when service is taken by the consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0% shall be applied to the bill. The 2.0% discount shall be applied after the \$0.12 per kVA discount.

However, the Seller shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatthours and kilowatt demand.

Terms of Payment

Bills are rendered net with payment due 21 days from date of bill. A 2% late payment charge will be added to all bills not paid by the due date shown thereon.

Sales Tax:

Michigan States Sales Tax will be added where applicable.

(Continued on Sheet No. D-8.02)

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**SCHEDULE LP**  
**LARGE POWER SERVICE (Contd)**  
**(Continued from Sheet No. D-8.01)**

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
  
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE LP 1**  
**LARGE POWER SERVICE**

Availability:

Available to consumers served by Association's three-phase lines, for all types of usage with a billing demand of 150 kW or greater, subject to the established rules and regulations of the Association.

Rate:

\$16.70 per month per kW of billing demand plus energy charges of 6.365¢ per kWh for all kWh.

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Determination of Billing Demand:

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

Power Factor Adjustment:

The consumer agrees to maintain unity power factor as nearly as possible. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90 percent, the demand for billing purposes shall be multiplied by the demand as indicated or recorded by the demand meter, multiplied by 90 percent and divided by the percent power factor.

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Association's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01.

Minimum Monthly Charge:

The minimum monthly charge shall be the demand charge but not less than the demand charge for 150 kW, **plus the Energy Optimization Surcharge amount shown on Sheet No. D-1.03.**

(Continued on Sheet No. D-9.01)

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General Manager  
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**SCHEDULE SA-1  
STREET LIGHTING SERVICE**

Availability:

The Energy Policy Act of 2005 requires that mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008. To the extent that the Cooperative has the necessary materials, the Cooperative will continue to maintain existing mercury vapor lamp installations in accordance with this Electric Rate Schedule. With respect to mercury vapor lamp installations, rates apply to existing luminaires only and are not open to new business except where the Cooperative elects, at the customer's request, to install additional luminaires within an area already served by a mercury vapor unmetereed lighting system. Any such election is subject to the Cooperative having the necessary materials and to the discretion of the Cooperative

**Experimental Emerging Lighting Technology Provision**

**Available on an optional basis to Member-Consumers desiring Street Lighting Service using emerging lighting technologies not otherwise offered through the standard tariff. Emerging lighting technologies and Member-Consumer participation must be approved by the Cooperative and the energy and maintenance benefits for each project will be calculated based on predicted energy and luminaire life. The Cooperative and the Member-Consumer will mutually agree on all prices, terms, and conditions for the service under this provision, evidenced by signed agreement.**

Street Lighting Rates:

The charge shall be \$8.79 per lamp per month; or 27.80¢ per kWh for all kWh, if metered. **The charge for LED alternative shall be \$7.57 per lamp per month or 27.80¢ per kWh for all kWh, if metered, plus an up-front installation charge of \$205 per fixture.**

Conditions of Service:

- (1) Village is to turn the lights on and off.
- (2) Street lighting equipment is to be supplied by the village, the Association is to string the necessary wires.
- (3) Lamp replacement shall be made by the village.
- (4) Bills are rendered net with payment due 21 days from date of bill.

(Continued on Sheet No. D-10.01)

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**SCHEDULE SA-1**  
**STREET LIGHTING SERVICE**  
**(Continued from Sheet No. D-10.00)**

Power Supply Cost Recovery Clause and Factor:

This rate schedule is subject to the Association's Power Supply Cost Recovery Clause as set forth on Sheet Nos. D-1.00 and D-1.01, For purposes of this adjustment for unmetered lights, the monthly energy usage is assume to be 63 kWh or 15 kWh for optional LED lights.

Sales Tax:

Michigan State Sales Tax will be added where applicable.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other customers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

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**SCHEDULE LP-1-C  
LARGE POWER SERVICE RATE - CHOICE**

Availability:

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Large Power Service Rate, Schedule LP-1. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

1. The Member-Consumer must have a Maximum Demand of at least 150 kW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule LP may achieve the 150 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
2. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
3. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
4. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Billing Rate:

Demand Charge: \$1.22 per kW

Variable Distribution Charge: 3.43¢ per kWh

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

Determination of Billing Demand:

The billing demand shall be the maximum kilowatt demand established by the Member-Consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

(Continued on Sheet No. D-11.01)

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**SCHEDULE LP-1-C**  
**LARGE POWER SERVICE RATE-CHOICE (Contd)**  
**(Continued from Sheet No. D-11.00)**

Power Factor Adjustment

The Member-Consumer agrees to maintain unity power factor as nearly as possible. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90 percent, the demand for billing purposes shall be multiplied by the demand as indicated or recorded by the demand meter, multiplied by 90 percent and divided by the percent power factor.

Minimum Monthly Charge

The minimum monthly charge shall be the Demand Charge but not less than the Demand Charge for 150 kW, **plus the Energy Optimization Surcharge amount shown on Sheet No. D-1.03.**

Sales Tax

Michigan State Sales Tax will be added where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Terms of Payment

- A. A one-time late payment charge of two percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Billings are due 21 days from the date of rendition for payment in full.

(Continued on Sheet No. D-11.02)

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**SCHEDULE LP-1-C**  
**LARGE POWER SERVICE RATE-CHOICE (Contd)**  
**(Continued from Sheet No. D-11.01)**

- C. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member-Consumer, and the third party.

Metering

Subject to the terms and conditions of the *Retail Access Service Tariff*, the Member-Consumer shall be responsible for any associated communication systems such as telephone lines, or other related equipment between the Cooperative, the Member-Consumer, and the third party.

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member-Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member-Consumer and any third party.

Transition Charge

Service under this rate may be subject to a transition charge subject to the approval of the Michigan Public Service Commission.

Rules and Regulations:

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's Retail Access Service Tariff.

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**SCHEDULE LP-C  
LARGE POWER SERVICE RATE - CHOICE**

Availability:

Subject to the Rules and Regulations of the Cooperative and its *Retail Access Service Tariff*, this schedule is available to Member-Consumers eligible to be taking service under the Cooperative's Large Power Service Rate, Schedule LP. Service under this rate is for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery and is subject to the following conditions:

1. The Member-Consumer must have a Maximum Demand of at least 50 kW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule LP may achieve the 50 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
2. The Member-Consumer must enter a Retail Access Service Agreement with the Cooperative.
3. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member-Consumer and/or Alternative Electric Supplier (AES).
4. The Member-Consumer must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service

Single or triple-phase, 60 cycle, at Cooperative's standard or secondary voltages.

Billing Rate

Demand Charge: \$0.00 per kW

Variable Distribution Charge: 5.93¢ per kWh

**Energy Optimization Surcharge:**

**This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.03.**

(Continued on Sheet No. D-12.01)

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**SCHEDULE LP-C**  
**LARGE POWER SERVICE RATE-CHOICE (Contd)**  
**(Continued from Sheet No. D-12.00)**

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member-Consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as possible. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of maximum demand is less than 90 percent, the demand for billing purposes shall be multiplied by the demand as indicated or recorded by the demand meter, multiplied by 90 percent and divided by the percent power factor.

Minimum Monthly Charge

The minimum monthly charge shall be the Demand Charge but not less than the Demand Charge for 50 kW, **plus the Energy Optimization Surcharge amount shown on Sheet No. D-1.03.**

Sales Tax

Michigan State Sales Tax will be added where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

(Continued on Sheet No. D-12.02)

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**SCHEDULE LP-C  
LARGE POWER SERVICE RATE-CHOICE (Contd)  
(Continued from Sheet No. D-12.01)**

Terms of Payment:

- A. A one-time late payment charge of two percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.
- B. Billings are due 21 days from the date of rendition for payment in full.
- C. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member-Consumer, and the third party.

Metering

Subject to the terms and conditions of the Retail Access Service Tariff, the Member-Consumer shall be responsible for any associated communication systems such as telephone line, or other related equipment between the Cooperative, the Member-Consumer, and the third party.

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member-Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member-Consumer and any third party.

Transition Charge

Service under this rate may be subject to a transition charge subject to the approval of the Michigan Public Service Commission.

Rules and Regulations

Service is governed by the Cooperative's Standard Rules and Regulations and the Cooperative's Retail Access Service Tariff.

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**NET METERING PROGRAM  
GENERATORS WITH A CAPACITY OF 20 KW AND LESS**

Availability

This rate is available only to Member-Consumers who operate renewable electric generation facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Net Metering Program is available on a first come, first serve basis until the nameplate capacity of all participating generators is equal to the maximum program limit of 1% of the Cooperative's peak load for the preceding calendar year. The maximum program limit of 1% shall be further allocated as follows:

- a) No more than 0.5% for Member-Consumers with a system capable of generating 20 kilowatts or less.
- b) No more than 0.25% for Member-Consumers with a system capable of generating more than 20 kilowatts but not more than 150 kilowatts.
- c) No more than 0.25% for Member-Consumers with a system capable of generating more than 150 kilowatts, but not more than 550 kW.

Upon enrolling in the Net Metering Program Member-Consumers shall be eligible to continue participation for a minimum period of ten years. A participating Member-Consumer may terminate participation in the Cooperative's Net Metering Program at any time for any reason.

Member-Consumer Eligibility

To be eligible to participate in the Net Metering Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using an eligible electric generator as defined in MCL 460.1005, specifically solar, wind, geothermal, biomass, including waste-to energy and landfill gas, or hydroelectric, and (2) be Full Requirements Service Member-Consumers taking service under one of the Cooperative's standard electric rates.

The generation equipment must be located on the Member-Consumer's premises, serving only the Member-Consumer's premises and must be intended primarily to offset a portion or all of the Member-Consumer's requirements for electricity. At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

(Continued on Sheet No. D-13.01)

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**NET METERING PROGRAM  
GENERATORS WITH A CAPACITY OF 20 KW AND LESS  
(Continued from Sheet No. D-13.00)**

- a) Aggregate nameplate capacity of the generator(s).
- b) Aggregate projected annual kWh output of the generators(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Net Metering Application.

The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- a) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period:
- b) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period: or
- c) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

The requirements for interconnecting a generator with the Cooperative's facilities are contained in the Michigan Public Service Commission's Electric Interconnection and Net Metering Standards Rules (R 460.601a-460.656) and the Cooperative's Michigan Electric Utility Generator Interconnection Requirements, copies of which will be provided to Member-Consumers upon request. Member-Consumers shall be provided a copy of the Cooperative's Generator Interconnection Application and Net Metering Application and shall be required to complete both applications and submit them with all applicable application fees (including, but not limited to, the \$25.00 net metering application fee as required in Rule 460.642(6)) for review and approval prior to interconnection of their generator to the Cooperative's facilities. All requirements of the MPSC's Electric Interconnection and Net Metering Standards and the Cooperative's Net Metering Program must be met prior to commencing Net Metering service.

A Member-Consumer that is enrolled in the Net Metering Program will continue to take electric service under the Cooperative's applicable service tariff.

(Continued on Sheet No. D-13.02)

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**NET METERING PROGRAM  
GENERATORS WITH A CAPACITY OF 20 KW AND LESS  
(Continued from Sheet No. D-13.01)**

Metering

The Member-Consumer's net usage shall be determined with metering capable of reverse registration or, at the Cooperative's discretion and expense, a single meter with separate registers measuring power flow in each direction. If the Member-Consumer's existing meter is not capable of reverse registration, the incremental cost above that for meters provided for similarly situated non-generating Member-Consumers shall be paid by the Member-Consumer.

Monthly Charges:

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer when the Member-Consumer's monthly net usage results in a net flow of energy from the Cooperative to the Member-Consumer. When the Member-Consumer's monthly net usage results in a net flow of energy from the Member-Consumer to the Cooperative, the Member-Consumer shall be credited the full retail rate for the energy provided to the Cooperative in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer.

The credit for any excess generation, as determined by each month's meter reading, shall be credited against the following month's bill. Any credit carried forward to the following month that is not used up that month, shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a net metering credit amount on their account, the Cooperative shall refund the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's net meter.

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**SECTION E  
RETAIL ACCESS SERVICE TARIFF**

**1.0 INTRODUCTION AND DEFINITIONS**

This tariff expresses the terms and conditions associated with Retail Access Service and provides information regarding the roles of the various market participants. This tariff includes the following sections:

Introduction and Definitions	Section 1.0
Member-Consumer Section	Section 2.0
Alternative Electric Supplier Section	Section 3.0
Dispute Resolution	Section 4.0
Liability and Exclusions	Section 5.0

When a Member-Consumer participates in Retail Access Service and obtains Generation Services from an Alternative Electric Supplier (AES), the Cooperative will maintain a relationship and interact with the separate participants – including the Member-Consumer, the Transmission Service Provider, and the AES.

**1.1 The Member-Consumer Role**

The Member-Consumer is the end-user of Power in the State of Michigan who has facilities connected to the Cooperative's Distribution System. Under Retail Access Service, the Member-Consumer will conduct transactions with at least two participants – including the Cooperative and an AES. The Member-Consumer is responsible for choosing an AES. Member-Consumers may receive transmission service directly from the Transmission Service Provider or the AES may make such arrangements as part of its service to the Member-Consumer.

The Cooperative's principal requirement is that the Member-Consumer must be eligible to be taking service under the Cooperative's Schedule Large Power Service Schedules (Schedule LP or Schedule LP-1) and have a Maximum Demand of at least 50 kW. An Individual Member-Consumer currently demand metered and taking service under the Cooperative's Schedule LP may achieve the 50 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. All charges or fees specified herein and all related rate schedules apply to aggregated metering points on an individual account basis. No more than 30% of the total number of member-consumers between 50 kW and 199 kW may be eligible for service under this tariff.

(Continued on Sheet No. E-1.01)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.00)**

The Member-Consumer is ultimately responsible for the purchase and delivery of power to the Cooperative's distribution system that is sufficient to meet the Member-Consumer's electrical requirements for each hour of each day. If for any reason, including but not limited to the failure or default of the AES, the failure of its generation resources and/or transmission system constraints, power is delivered to a retail open access Member-Consumer by the Cooperative then the Member-Consumer shall purchase said power from the Cooperative pursuant to the Default Service provisions of this tariff.

**1.2 The Alternative Electric Supplier Role**

An Alternative Electric Supplier (AES) is a Person that has been licensed by the Michigan Public Service Commission to sell electric generation service to retail Consumers in this state. The AES takes title to Power and sells Power in Michigan's retail electric market.

An AES makes necessary arrangements to provide Power to Member-Consumers, assembles products and/or services, and sells the products and/or services to Member-Consumers. The AES must meet all applicable statutory and regulatory requirements of Michigan and federal law.

Market participation responsibilities of the AES or Member-Consumer include: scheduling energy, obtaining and paying for transmission and ancillary services (including energy imbalance charges), and payment or provision of energy for losses incurred on the Transmission System and the Distribution System to deliver Power. The AES is responsible for assuring power supply, arranging deliveries to the Cooperative's Distribution System, and managing its own retail sales.

**1.3 Transmission Service Provider Role**

The Transmission Service Provider delivers electrical energy to the Cooperative's distribution system. To obtain retail access service, the Member-Consumer or the AES on behalf of the Member-Consumer must arrange for transmission service from the Transmission Service Provider. The Transmission Service Provider provides services to transmission consumers, whether an AES or a Member-Consumer as defined herein, pursuant to its Open Access Transmission Tariff (OATT) rules and regulations as approved by the Federal Energy Regulatory Commission or pursuant to a Transmission Tariff approved by another appropriate regulatory authority.

(Continued on Sheet No. E-1.02)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.01)

**1.4 Cooperative Role**

The Cooperative provides facilities and related services for the distribution of electricity and is the Member-Consumer's primary contact for electric service. Under Retail Access, the Cooperative arranges for the physical connection of the Member-Consumer's facilities to the Distribution system and provides system maintenance, outage restoration, metering equipment, meter data processing, bill processing for distribution services and other Consumer support services.

The Cooperative's Generation Services (Default Service and Full Requirements Service) offered herein are supplied by purchases for resale from the Cooperative's wholesale power supplier. Such purchases are made pursuant to tariffs that are established by the wholesale power supplier and approved by the Federal Energy Regulatory Commission or other appropriate regulatory authority.

**1.5 Definitions**

"Aggregate" or "Aggregation" means to combine or the combination of multiple metering points serving an individual Member-Consumer for the purpose of qualifying for Retail Access Service.

"Alternative Electric Supplier" or "AES" means a Person properly licensed by the Michigan Public Service Commission to sell electric Generation Service to retail Consumers in the state of Michigan. AES does not include a Person who physically delivers electricity from the AES directly to retail Consumers in Michigan.

"Commission" means the Michigan Public Service Commission.

"Cooperative" means Ontonagon County Rural Electrification Association or its agent.

"Default Service" means Generation Service provided by the Cooperative. Default Service shall be purchased under the rates, terms, and conditions in the applicable Retail Access Standby Service tariff approved by the Commission.

(Continued on Sheet No. E-1.03)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.02)**

“*Demand*” means the amount of Power required to meet the Member-Consumer’s load averaged over a designated interval of time, expressed in kilowatts or megawatts.

“*Distribution Point of Delivery*” means the point of interconnection between the Cooperative’s Distribution System and the Member-Consumer’s service Location.

“*Distribution Point of Receipt*” means the point of interconnection between the Cooperative’s Distribution System and the Transmission System or other facilities where electric Energy is received for delivery to a Member-Consumer.

“*Distribution Service*” means the provision of retail Regulated Electric Service including delivery of Generation over the Distribution System, and ancillary services all provided by the Cooperative pursuant to its rates for Retail Access Service.

“*Distribution System*” means facilities operated by the Cooperative for the purpose of distributing electric power within the Cooperative's electric service territory, which are subject to the jurisdiction of the Commission.

“*Drop Request*” means a request by an AES to terminate Generation Service to a Member-Consumer.

“*Drop Response*” means a response sent by the Cooperative to an AES which submitted a Drop Request that confirms the requested Member-Consumer drop as pending and provides certain Member-Consumer information or, if the Drop Request is denied, provides a reason or invalidation code explaining why the request was denied.

“*Energy*” refers to “electrical energy.” Energy is usually measured in kilowatt-hours (kWh) or megawatt-hours (MWh).

(Continued on Sheet No. E-1.04)

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**RETAIL ACCESS SERVICE TARIFF**  
**(Continued from Sheet No. E-1.04)**

“*Person*” means an individual, governmental body, corporation, partnership, association, or other legal entity.

“*Power*” means a combination of the electric Demand and Energy requirements of the Member-Consumer.

“*Retail Access Service*” means the service offered by the Cooperative under applicable laws, regulations, tariffs and agreements, which allows the Member-Consumer to purchase Generation Service from a licensed AES, with Power delivered through the Cooperative’s Distribution System.

“*Regulated Electric Service*” means the services offered by the Cooperative under terms and conditions approved by the Commission.

“*Relevant Market*” means either the Upper Peninsula or the Lower Peninsula of this state.

“*Slamming*” means the act of changing the Member-Consumer’s chosen AES, or changing the Member-Consumer from Full Requirements Service to Generation Service from an AES, without the Member-Consumer’s consent.

“*Switch*” means a Member-Consumer move from one provider of Generation Service to another.

“*Switch Date*” means the date on which the Member-Consumer is actually assigned to a new Generation Service provider for purposes of Energy supply responsibility.

“*Switch Request*” means a request by an AES to switch the Member-Consumer from the Cooperative or another AES to the requesting AES, for Generation Service.

“*Switch Response*” means a response sent by the Cooperative to an AES which submitted a Switch Request that confirms the requested Member-Consumer switch as pending and provides certain Member-Consumer information or, if the Switch Request is denied, provides a reason or invalidation code explaining why the request was denied.

(Continued on Sheet No. E-1.06)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.05)**

“*Transition Charge*” means a surcharge for the recovery of costs associated with the implementation of Retail Access Service and/or the Cooperative’s stranded costs arising from the implementation of Retail Access Service, as determined by the Commission.

“*Transmission Service Provider*” means a Person that owns, controls and/or operates transmission facilities and provides transmission and related services to the Cooperative including scheduling of power supply resources into the transmission system on behalf of the Cooperative.

“*Transmission System*” means facilities operated by a Person used for transmitting electric Power to the Distribution Point of Receipt, and subject to the jurisdiction of the Federal Energy Regulatory Commission.

“*Uniform Data Transaction*” means specific technical arrangements for trading information, initiating business requests and executing other common transactions. These arrangements may encompass a number of electronic media and use specified transport protocols.

(Continued on Sheet No. E-1.07)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.06)

**2.0 MEMBER-CONSUMER SECTION**

**2.1 Availability**

Retail Access Service is available to all existing or new Member-Consumers that meet the terms and conditions of this Retail Access Service tariff and other applicable Cooperative tariffs, subject to contracting with an AES.

**2.2 Eligibility**

- 2.2.1 A Member-Consumer's eligibility to take Retail Access Service is subject to the full satisfaction of any terms or conditions imposed by pre-existing contracts with or tariffs of the Cooperative. Member-Consumers must have satisfied any past due amounts for Regulated Electric Service owed to the Cooperative under any other arrangements or provisions for Regulated Electric Service before taking service under this tariff.
- 2.2.2 An Individual Member-Consumer who is eligible to be taking service under the Cooperative's Schedules LP or LP-1, and having a demand meter registering with a Maximum Demand of at least 50 kW is eligible to take service under this tariff. An Individual Member-Consumer receiving demand metered service at multiple metering points and who is eligible to be taking service under the Cooperative's Schedule LP may achieve the 50 kW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. All charges or fees specified herein and all related rate schedules apply to aggregated metering points on an account individual basis. No more than 30% of the total number of member-consumers between 50 kW and 199 kW may be eligible for service under this tariff.

(Continued on Sheet No. E-1.08)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.07)

**2.3 Member-Consumer Information**

Member-Consumers will be provided their own usage and billing information upon request. No fee shall be charged for the first request per calendar year related to a specific Member-Consumer account. An AES must obtain written authorization from the Member-Consumer before the Cooperative will provide an AES with a Member-Consumer's currently available usage and billing information. Subsequent requests by the Member-Consumer or the AES will require a fee of \$30.00 per account that will be billed to the Member-Consumer.

**2.4 Member-Consumer Enrollment and Switching**

- 2.4.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two years after the switch to the AES has been effectuated. See Return to Service Provision in Section 2.6.
- 2.4.2 A Member-Consumer will specify only one AES at any given time for the supply of Power to each Member-Consumer account or Member-Consumer Location.
- 2.4.3 A Member-Consumer shall be permitted to change AESs. Assuming all other requirements are met, the changes will become effective at the completion of their normal billing cycle. Member-Consumers will be assessed a fee of \$10.00 per Member-Consumer account for each change beyond one (1) within a calendar year. The change will be submitted to the Cooperative by the Member-Consumer's newly chosen AES as a Switch Request.
- 2.4.4 The AES shall submit to the Cooperative a Switch Request via a Uniform Data Transaction after a required ten (10) day Consumer rescission period.

(Continued on Sheet No. E-1.09)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.08)**

2.4.5 The Cooperative will process one (1) valid Switch Request per Member-Consumer per meter reading cycle. Where multiple Switch Requests for the same Member-Consumer are received during the same meter reading cycle, the Cooperative will process the first valid Switch Request received during a meter read cycle. A Switch Response for each rejected Switch Request will be sent to the appropriate AES via a Uniform Data Transaction within three (3) business days.

The Cooperative will normally validate a Switch Request within three (3) business days of the receipt of the Switch Request and will transmit a Switch Response to the AES. As part of the validation process, the Cooperative shall notify the Member-Consumer in writing that a Switch Request has been received and is being processed.

For valid Switch Requests from one AES to another, the Cooperative will at the same time send to the AES currently serving the Member-Consumer, via the appropriate Uniform Data Transaction, notice that the AES's service is to be terminated, including the scheduled Member-Consumer Switch Date. In the event that the Member-Consumer or the new AES cancels the Switch before the Switch Date, the Cooperative will send to the current AES, via appropriate Uniform Data Transaction, notice reinstating the current AES's service unless the current AES has submitted a valid Drop Request.

Cut-off time for the receipt of Switch Requests is eight (8) business days in advance of the Member-Consumer's Switch Date. In the case of errors or omissions in Switch Requests received by the Cooperative, final disposition of exceptions may take up to five (5) business days.

(Continued on Sheet No. E-1.10)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.09)

- 2.4.6 Other than in situations where Member-Consumers require new meter installations as part of a Switch, Member-Consumer Switches will be scheduled to take place on the scheduled meter reading date, and will be effective on the actual meter reading date or the date of an estimated meter reading for billing purposes. The Switch Date shall be effective on the next scheduled meter read date that is not less than eight (8) business days after the Switch Request has been confirmed as pending. The AES change shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.4.7 The Cooperative shall process Drop Requests submitted by AESs in the same manner as it processes Switch Requests, including Member-Consumer notification. AESs shall be subject to the same timing, validation and Uniform Data Transaction requirements for Drop Requests as for Switch Requests. An AES shall inform the Member-Consumer in writing of the submission of a Drop Request.

**2.5 Metering**

- 2.5.1 Metering equipment for Member-Consumers taking Retail Access Service shall be furnished, installed, read, maintained, and owned by the Cooperative.
- 2.5.2 Member-Consumers shall be required to have an Interval Demand Meter at each metering point.
- 2.5.3 If a new Interval Demand Meter is required, time and material costs to install it will be assessed to the Member-Consumer.

(Continued on Sheet No. E-1.11)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.10)**

- 2.5.4 The Cooperative may require that the meter be read via telephone. In such cases, Member-Consumers will be required to provide a telephone connection for purposes of meter interrogation by the Cooperative. If a Member-Consumer is not able to allow sharing of a telephone connection, the Member-Consumer may be required to obtain a separate telephone connection for such purposes. The Member-Consumer is responsible for assuring the performance of the telephone connection. The Member-Consumer shall be responsible for all costs of the required telephone connection.
- 2.5.5 In cases where a telephone connection used by the Cooperative for meter interrogation is out of service, the Cooperative may retrieve the data manually for a nominal monthly fee of \$40.00 payable by the Member-Consumer. In the event that the telephone connection is out for three consecutive billing months, the Member-Consumer's Retail Access Service may be terminated and the Member-Consumer will be returned to service under the Cooperative's Full Requirements Service tariffs subject to the provisions of Section 2.6, unless said outage is due to non-performance by the telecommunications service provider.
- 2.5.6 Energy consumption and Demand for settlement purposes shall be based on the data from the Interval Demand Meters.
- 2.5.7 Where monthly metered Energy data is not available due to metering errors, malfunctions, or otherwise, the billing quantities will be estimated by the Cooperative using the available historical data and other relevant information for the Member-Consumer.

(Continued on Sheet No. E-1.12)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.11)

**2.6 Return to Full Requirements Service**

- 2.6.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two (2) years after the switch to the AES has been effectuated. After such two (2) year period, a Member-Consumer may return to full service after giving the Cooperative at least 30 days written notice, unless the Member-Consumer wants to take service during the summer months of June through September, in which case the Member-Consumer must give the Cooperative notice no later than the preceding December 1. The Cooperative will return the Member-Consumer to Full Requirements Service following the notice period. Said notice period commences with the beginning of the Member-Consumer's billing cycle following receipt of the Member-Consumer's written notice of intent to return to Full Requirements Service. If the Member-Consumer returns to the Cooperative's Full Requirements Service for any reason prior to such two (2) year period or prior to the expiration of the notice period, the Member-Consumer's rate will be determined as the greater of:
- A. The charges for Default Service plus the applicable Retail Access Service rate, or
  - B. 110% of the applicable Full Requirements Service Rate.
- 2.6.2 A Member-Consumer, having given notice of its intent to return to Full Requirements Service under Section 2.6.1, will receive Cooperative Default Service if, at any time during the notice period, it discontinues purchasing Generation Service from an AES.
- 2.6.3 A Member-Consumer taking Default Service under the provisions of Section 2.6.2 may switch to another AES as provided in Section 2.4 at any point during the period that they are on Default Service.

(Continued on Sheet No. E-1.13)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.12)**

- 2.6.4 The AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction when the Member-Consumer requests return to Full Requirements Service or when AES service is not being continued for any reason. The AES shall inform the Member-Consumer of the Drop Request in writing.
- 2.6.5 The Cooperative will normally validate a Drop Request within three (3) business days of the receipt of the Drop Request and will transmit a Drop Response to the AES. As part of the validation process, the Cooperative will notify the Member-Consumer in writing that a Drop Request has been received and is being processed.
- 2.6.6 The Switch from AES to Full Requirements Service will be processed on the next meter read date after the AES submits the necessary Drop Request to the Cooperative, provided that the requirements of Section 2.6.1 are met. If the requirements of Section 2.6.1 are not met, then the Member-Consumer will be switched to Cooperative Default Service until said requirements are met. The Switch shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.6.7 A Member-Consumer returning to Full Requirements Service must remain on such service for the minimum term stated in the applicable Full Requirements Service tariff, but not less than twelve (12) months.
- 2.6.8 In the event of Slamming from Full Requirements Service, a Member-Consumer who desires to return to Full Requirements Service may do so. The Cooperative will waive the twelve (12) month minimum term requirements. The Cooperative's Default Service does not apply to such Member-Consumers.

(Continued on Sheet No. E-1.14)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.13)

2.6.9 In the event a Member-Consumer is dropped by the AES due to the bankruptcy of the AES or upon the complete withdrawal of the AES from the Relevant Market, the Member-Consumer may receive Default Service from the Cooperative for not more than three (3) full billing cycles. By the end of that time period, the Member-Consumer must either have a Switch Request completed on their behalf as provided in Section 2.4, or give notice of its intent to return to Full Requirements Service as provided in Section 2.6.1. A Member-Consumer that does not arrange for Generation Service from a different AES or give notice of its intent to return to Full Requirements Service within three (3) months shall be disconnected.

**2.7 Billing and Payment**

2.7.1 The Cooperative will bill the Member-Consumer for Retail Access Service as outlined in Section 3.3 of this tariff.

2.7.2 The Member-Consumer shall pay the Cooperative the amount billed by the Cooperative on or before a due date established by Member-Consumer billing rules approved by the Commission in accordance with the Commission's consumer standards and billing practices, R 460.3901 et seq., as amended, for nonresidential Consumers.

2.7.3 Where incorrect billing results from an error discovered by either the Cooperative, the AES or the Member-Consumer, the error will be corrected and revised bills, as appropriate for the Member-Consumer and/or AES, will be calculated and settled on the next billing period after the error is discovered. Billing errors discovered by the Cooperative shall be adjusted as provided for in the Commission's applicable billing rules.

(Continued on Sheet No. E-1.15)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.14)

**2.8 Disconnection of Service**

The Cooperative is the only Person allowed to physically disconnect service to a Member-Consumer. Disconnection of service to a Member-Consumer for non-payment of the Cooperative's bill or for any violation of the Cooperative's tariffs shall be in accordance with applicable Commission rules and Cooperative tariffs. The Cooperative shall notify the AES in writing of the intent to disconnect and the date and time of actual disconnection. The Cooperative shall not be liable for any losses to the AES due to disconnection.

(Continued on Sheet No. E-1.16)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.15)**

**3.0 ALTERNATIVE ELECTRIC SUPPLIER SECTION**

**3.1 Availability**

The AES will not be eligible to enroll Member-Consumers unless and until the following conditions have been satisfied and continue to be satisfied. The AES has sole responsibility for conditions 3.1.1, 3.1.2, and 3.1.3. The Cooperative will check and verify conditions 3.1.4 and 3.1.5.

- 3.1.1 The AES has been granted a license by the Commission.
- 3.1.2 The AES has obtained and maintains a Member-Consumer-signed Enrollment indicating that the Member-Consumer has chosen to switch its Generation Service to the AES.
- 3.1.3 The AES has executed agreements with the appropriate Transmission Service Provider(s).
- 3.1.4 The AES has demonstrated its capability to meet the Cooperative's defined standards and protocols for Uniform Data Transactions.
- 3.1.5 The AES has executed a Retail Access Service agreement (which may include, but is not limited to, a portfolio of Member-Consumers, negotiated services, etc.) with the Cooperative and complied with the Cooperative's Member-Consumer enrollment requirements to prevent Slamming.

**3.2 Switch and Drop Requests**

- 3.2.1 Switch Requests and Drop Requests will be handled in accordance with Section 2.4 of this tariff and will be accepted for processing by the Cooperative.

(Continued on Sheet No. E-1.17)

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**RETAIL ACCESS SERVICE TARIFF**  
**(Continued from Sheet No. E-1.16)**

3.2.2 When a Member-Consumer requests to discontinue receiving Generation Service from the AES or when the AES's service is being discontinued for any reason, the AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction within no more than three (3) business days.

**3.3 Billing**

3.3.1 Unless otherwise agreed, the Cooperative and the AES will separately bill the Member-Consumer for the respective services provided by each. The Member-Consumer will receive separate bills for services provided and is responsible for making payments to the Cooperative for service provided in accordance with requirements of the Cooperative as set forth in the applicable billing rules and Commission approved tariffs.

3.3.2 The Cooperative may elect to offer a service where it bills the Member-Consumer for services that the Cooperative provides as well as services provided by the AES. If the Cooperative bills for AES charges, the following conditions will apply:

- A) The Cooperative and the AES must have entered into a billing agreement that specifies the terms and conditions under which such billing will occur.
- B) Any discrepancies in charges collected and remitted will be corrected and reflected in the subsequent billing cycles.
- C) Payments received from or on behalf of a Member-Consumer shall be applied in the following order:
  - 1. To the Member-Consumer's past due balance owed the Cooperative,
  - 2. To current balances due the Cooperative,
  - 3. To current balances due the Cooperative for other charges such as facilities or loan agreements, and
  - 4. To the AES for all balances due for services provided.

(Continued on Sheet No. E-1.18)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.17)

- D. Optional Services (i.e., billing and remittance processing, credit and collections, meter read information, Member-Consumer information, etc.) may be provided by the Cooperative pursuant to terms negotiated with the AES, and shall be offered on a non-discriminatory basis. Amounts owed to the Cooperative by an AES may be deducted from the AES's Member-Consumer payments received by the Cooperative prior to remittance to the AES.
- E. The Cooperative will not pursue collections action for any AES.
- 3.3.3 Unless otherwise specified by the Cooperative, all payments made to the Cooperative by the AES will be made by electronic funds transfer to the Cooperative's account.

**3.4 Terms and Conditions of Service**

- 3.4.1 The AES is responsible for providing Power to be transmitted by the appropriate Transmission Service Provider(s) to the Cooperative's Distribution Point of Receipt. The AES shall meet all obligations necessary to schedule Power to match the Member-Consumer's Load, subject to energy imbalance charges and penalties in accordance with the terms of the OATT of the Transmission Service Provider(s).
- 3.4.2 Retail Access Service may not commence until metering has been installed as specified in this Tariff as outlined in Section 2.5.
- 3.4.3 The AES will provide to the Cooperative or the Cooperative's designated recipient daily energy schedules for all services including losses associated with use of the Distribution System. The AES will provide verification that it has arranged for and scheduled transmission service to deliver Energy, the energy schedule has been approved by the Transmission Service Provider(s), and the AES has covered losses on the Transmission System(s).

(Continued on Sheet No. E-1.19)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.18)

- 3.4.4 The AES will pay the Cooperative under applicable tariffs for all applicable ancillary services, emergency energy services, standby and backup services provided by the Cooperative to the AES for the AES's Member-Consumer(s) from the service commencement date to the service termination date.
- 3.4.5 The Cooperative shall bill the AES for all associated switching fees incurred as a result of Slamming by the AES plus the actual administrative cost incurred for switching a slammed Member-Consumer from one rate service to another.
- 3.4.6 An AES shall not resell Member-Consumer account information or transfer it to other parties for any other purpose. The Cooperative will only release Member-Consumer data to the Member-Consumer or its authorized representative, which may be the AES.

**3.5 Distribution Power Losses**

The AES is responsible for replacing losses associated with the delivery of Power to the Member-Consumer's meter. The amount that the AES shall cause to be delivered to the Cooperative's Distribution System will be the amount of Power delivered at the Member-Consumer meter plus an amount to reflect loss factors. For calendar year 2004, the loss factors were:

Secondary Service	12%
Primary Service	4.8%
Primary Substation Service	0

Please contact the Cooperative to obtain the applicable loss factors for the current billing period.

(Continued on Sheet No. E-1.20)

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.19)

**4.0 DISPUTE RESOLUTION**

- 4.1 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs and Member-Consumers.
- 4.2 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs or Member-Consumers and their Transmission Service Provider(s). Disputes involving a Transmission Service Provider's OATT shall be resolved using the dispute resolution procedures as described in the OATT.
- 4.3 In the event the AES has a dispute over the implementation of the Cooperative's Retail Access Service, then the AES shall provide the Cooperative with a statement of the dispute and the proposed resolution to the designated Cooperative contact. Upon receipt of the statement of dispute, the Cooperative shall attempt to resolve the dispute according to the following process:
- 4.3.1 The Cooperative will investigate the dispute and attempt to resolve the dispute informally in a manner that is satisfactory to both parties within five (5) business days of initial receipt of the statement of dispute.
- 4.3.2 If the dispute is not resolved in five (5) business days, the parties shall attempt to resolve the dispute by promptly appointing a senior representative of each party to attempt to mutually agree upon a resolution. The two senior representatives shall meet within ten (10) business days. If the two senior representatives cannot reach a resolution within a 30-day period, the dispute may, on demand of either party, be submitted to arbitration as provided in this section.
- 4.3.3 The dispute, if mutually agreed by the parties, may be submitted for resolution in accordance with the American Arbitration Association ("AAA") commercial arbitration rules. The judgment rendered by the arbitrator may be enforced in any court having jurisdiction of the subject matter and the parties.

(Continued on Sheet No. E-1.21)

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**RETAIL ACCESS SERVICE TARIFF  
(Continued from Sheet No. E-1.20)**

- 4.3.4 The arbitrator may be determined by AAA.
- 4.3.5 The findings and award of the arbitrator shall be final and conclusive and shall be binding upon the parties, except as otherwise provided by law. Any award shall specify the manner and extent of the division of the costs between the parties.
- 4.4 Nothing in this section shall restrict the rights of any party to seek resolution of the dispute with the appropriate regulatory agency with jurisdiction.

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**RETAIL ACCESS SERVICE TARIFF**  
(Continued from Sheet No. E-1.21)

**5.0 LIABILITY AND EXCLUSIONS**

- 5.1 In no event will the Cooperative or its suppliers be liable under any cause of action relating to the subject matter of this tariff, whether based on contract, warranty, tort (including negligence), strict liability, indemnity or otherwise for any incidental or consequential damages including but not limited to loss of use, interest charges, inability to operate full capacity, lost profits or claims of AESs or Member-Consumers.
- 5.2 The Cooperative will not be liable to an AES or Member-Consumer for damages caused by interruption of service, voltage or frequency variations, single-phase supply to three-phase lines, reversal of phase rotation, or carrier-current frequencies imposed by the Cooperative for system operations or equipment control, except such as result from the failure of the Cooperative to exercise reasonable care and skill in furnishing the service.
- 5.3 In no event will Cooperative be liable to an AES or Member-Consumer for loss of revenue or other losses due to meter or calculation errors or malfunctions. The Cooperative's sole obligation and the AES's or Member-Consumer's sole remedy will be for the Cooperative to repair or replace the meter and prepare revised bills as described in Section 2.7.3.

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**RETAIL ACCESS STANDBY SERVICE  
SCHEDULE RASS**

Availability

This schedule is available on a best efforts basis only to Member-Consumers of the Cooperative receiving service under the Large Power Service Rates-Choice, Schedule LP-Choice or Schedule LP-1-Choice. This is in addition to the Member-Consumer's applicable Choice tariff.

Nature of Service

Service under this schedule is only available on a best efforts basis to the Member-Consumer when an Alternative Electric Supplier (AES) has ceased service to the Member-Consumer. The Member-Consumer may arrange to return to Full Requirements Service by following the procedures detailed in the Cooperative's *Retail Access Service Tariff*, subject to the terms and conditions set forth in said tariff.

Standby Service under this schedule does not include net under- or over- deliveries of Energy that result when Energy is delivered on behalf of a Member-Consumer but deviates from the Member-Consumer's scheduled Energy requirements plus applicable provisions for line losses. Any change in the Member-Consumer's Energy schedule must be reported to the Transmission Service Provider according to the provisions in the applicable Open Access Transmission Tariff (OATT). These charges represent Schedule 4 ancillary services and will be summarized each month with payment to the Member-Consumer or due from the Member-Consumer per the calculation.

Charges for Service

The charges for this service shall be equal to the Cooperative's out-of-pocket cost of standby power delivered to the Member-Consumer, plus a service fee of one-cent (\$0.01) per kWh delivered to the Member-Consumer.

The Cooperative's out-of-pocket cost shall be equal to the amount it is billed by its wholesale supplier for Standby Service delivered to the Member-Consumer.

(Continued on Sheet No. E-2.01)

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**RETAIL ACCESS STANDBY SERVICE  
SCHEDULE RASS  
(Continued from Sheet No. E.-2.00)**

Terms of Payment

Monthly bills for Standby Service rendered by the Cooperative are due and payable on or before the due date listed on the bill.

The above rates are net. A one-time late payment charge of two (2%) percent of the unpaid balance, excluding sales tax, will be assessed on any bill for Standby Service not paid by the due date

The Cooperative will not collect any monies on behalf of any AES, retailer or other third party without a written agreement between the Cooperative, the Member-Consumer and the third party.

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member Consumer and any third party.

Tax Adjustment

1. Bills shall be increased or decreased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases or decreases.
2. Bills shall be adjusted to offset any new, increased or decreased specific tax or excise imposed by any governmental authority, which increases or decreases the Cooperative's cost of providing electric service.

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Issued July 29, 2008  
By: Tom Haarala  
General Manager  
Ontonagon, Michigan



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