

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\*\*\*\*\*

In the matter of the formal complaint of ) <b>CRM, INC., against CHERRYLAND )</b> <b>ELECTRIC COOPERATIVE. )</b>	)	Case No. U-12844
_____ )	)	

In the matter of the application of ) <b>CHERRYLAND ELECTRIC COOPERATIVE )</b> for authority to implement revised rates on a ) revenue neutral basis. )	)	Case No. U-13071
_____ )	)	

At the July 10, 2002 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Laura Chappelle, Chairman  
Hon. David A. Svanda, Commissioner  
Hon. Robert B. Nelson, Commissioner

**ORDER**

On February 20, 2001, CRM, Inc., filed a complaint against Cherryland Electric Cooperative (Cherryland) relative to application of Cherryland's Schedule SMB, which applies to supplemental, maintenance, and backup services. On May 22, 2001, Cherryland and CRM agreed to address issues raised in the complaint in Cherryland's next rate case.

On August 30, 2001, Cherryland filed an application to revise its rates on a revenue neutral basis.

Pursuant to due notice, a prehearing conference was held on October 30, 2001 before Administrative Law Judge Barbara A. Stump. Cherryland, CRM, and the Commission Staff

(Staff) participated in the proceedings. Subsequently, the parties negotiated a settlement agreement that resolved all issues in both dockets.

The settlement agreement, attached as Exhibit A, provides for an overall revenue decrease of approximately \$100,000 or 0.39% based on a target times interest earned ratio (TIER) of 1.75. On a class-by-class basis, using December 31, 2000 test year billing determinants, the settlement agreement results in the following rate effects:

Comparison on a Class-By-Class Basis  
Present and Settlement Agreement Rates

<u>Rate Class</u>	<u>% Increase (Decrease)</u>
Farm & Home Service	1.77%
Seasonal Residential Service	7.21%
General Service	(2.96%)
Optional Irrigation TOD Service	1.00%
Large General Service	(9.82%)
Optional Large Power TOD Service	(7.34%)
Outdoor Lighting Service	7.41%
Partial Controlled Heating Service	0.01%
Total	<u>(0.39%)</u>

The settlement agreement further provides that Cherryland will no longer be required to file annual TIER ratemaking submissions, that Cherryland will investigate approaches to more efficiently convert its higher interest rate debt to reduce debt service costs, and that Cherryland will work with the Staff to revise procedures to eliminate instances in which its jurisdictional

electric customers subsidize non-jurisdictional operations. A lack of progress in either of these endeavors will require the Commission to take further action.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. The settlement agreement is reasonable and in the public interest, and should be approved..

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Cherryland Electric Cooperative is authorized to reduce its rates by \$100,000 in accordance with the tariff sheets attached to the settlement agreement.

C. Cherryland Electric Cooperative is relieved of the requirement of submitting annual times interest earned ratio ratemaking filings.

D. Cherryland Electric Cooperative shall file with the Commission, within 30 days, four sets of tariff sheets essentially the same as those attached to the settlement agreement.

E. The complaint of CRM, Inc., against Cherryland Electric Cooperative is dismissed with prejudice.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle  
Chairman

( S E A L )

/s/ David A. Svanda  
Commissioner

/s/ Robert B. Nelson  
Commissioner

By its action of July 10, 2002.

/s/ Dorothy Wideman  
Its Executive Secretary

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\* \* \* \* \*

<b>In the matter of the formal complaint of          CRM, Inc. against Cherryland Electric          Cooperative.</b>	) ) ) ) )	<b>Case No. U-12844</b>
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<b>In the matter of the application of          CHERRYLAND ELECTRIC COOPERATIVE          for authority to implement revised rates on a          revenue neutral basis.</b>	) ) ) ) )	<b>Case No. U-13071</b>
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**SETTLEMENT AGREEMENT**

On February 20, 2001, CRM, Inc. ("CRM") initiated Case No. U-12844 by filing its Verified Complaint for Immediate Relief ("complaint") against Cherryland Electric Cooperative ("Cherryland"). In its complaint, CRM alleged that (i) Cherryland improperly obtained *ex parte* approval of rate revisions in Case No. U-12201, specifically Schedule SMB, the Supplemental, Maintenance, Backup Service Rate (Original Sheet No. 25.00 *et seq.*) and (ii) the tariffs approved in Case No. U-12201 violate portions of 2000 PA 141. On or about May 22, 2001, Cherryland and CRM agreed to hold the complaint matter in abeyance, consolidate the issues raised in the complaint matter and address said issues in the then-to-be-filed rate matter.

On August 30, 2001, Cherryland initiated Case No. U-13071 by filing its Application to Revise Rates on a Revenue Neutral Basis ("rate case"). ¶s 12 through 14 of the rate case application referenced the status of pending issues from the complaint matter and noted the consolidation of complaint matter issues in the rate case. Subsequent to Cherryland's rate case filing, CRM and

Cherryland engaged in discussions to more efficiently address the substance of CRM's concerns. Based on those discussions, CRM and Cherryland entered into a settlement agreement with respect to the complaint matter. Consistent therewith, by letter dated December 20, 2001, CRM's counsel advised Presiding Administrative Law Judge Barbara A. Stump ("ALJ") that (i) CRM and Cherryland had reached agreement and (ii) that CRM requested withdrawal of its complaint with prejudice except as to allegations regarding breach of the settlement agreement between CRM and Cherryland. By letter to the ALJ dated December 21, 2001, Cherryland's counsel confirmed the statements contained in CRM's counsel's December 20, 2001 letter.

With respect to the rate case, on September 7, 2001, the Commission issued its Notice of Hearing. In accordance with the Commission's Notice of Hearing, Cherryland provided notice of this proceeding throughout its service area. At the prehearing conference on October 30, 2001, Cherryland presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships and counties in its service area, and also presented an affidavit evidencing the requisite publication of the notice. The Commission Staff ("Staff"), Cherryland and CRM participated in these proceedings. This proceeding was conducted as a contested case matter pursuant to Chapter 4 of the Administrative Procedures Act of 1969, 1969 PA 306.

Subsequent to the filing of Cherryland's rate case, the parties engaged in discussions leading to this settlement agreement. It is the opinion of the signatories hereto that this settlement agreement will aid the expeditious conclusion of both the complaint proceeding and the rate case, and will minimize expenses which would otherwise have to be devoted to these matters by the Commission

and the parties. This settlement agreement is for the purpose of final resolution of these cases and all provisions of same are dependent upon all other provisions contained herein.

This settlement agreement is submitted pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended (1969 PA 306, §78; MCLA 24.278; MSA 3.560 (178)). By this Settlement Agreement, Cherryland, CRM and Staff hereby agree and stipulate as follows:

A. Cherryland's rates should be adjusted to provide a revenue decrease of approximately \$100,000, or 0.39%. based on a target TIER of 1.75 and a test year ended December 31, 2000.

B. Cherryland should be authorized to revise its tariffs to reflect the settlement revenue decrease in accordance with the attached tariff sheets.

C. The attached Tariff Sheets (Schedules COG, CBG, LP and LPTOD) resolve remaining differences between CRM and Cherryland, thus facilitating dismissal with prejudice of CRM's complaint in Case No. U-12844, in accordance with the letter from CRM's counsel and Cherryland's counsel, dated December 20, 2001, and December 21, 2001, respectively.

D. On a class-by-class basis, using test year billing determinants, the tariff sheets attached hereto result in the following impacts:

<u>Class-By-Class % Increase/Decrease</u>	
<u>Rate Class</u>	<u>% Increase (Decrease)</u>
Farm & Home Service	1.77%
Seasonal Residential Service	7.21%
General Service	(2.96%)
Optional Irrigation Service TOD	1.00%

Large General Service	(9.82%)
Optional Large Power TOD Service	(7.34%)
Outdoor Lighting Service	7.41%
Partial Controlled Heating Service	<u>0.01%</u>
Total	<u>(0.39%)</u>

E. Cherryland will no longer be required to submit annual TIER Ratemaking filings.

F. Cherryland's primary lender is the National Rural Utilities Cooperative Finance Corporation (CFC). CFC allows conversion of fixed-rate loans to the variable-rate option or to another fixed rate loan (i) with a one-time fee of 25 basis points of the outstanding, unadvanced balance of the load, plus (ii) any funding losses incurred by CFC as a result of the conversion. Staff is concerned that the feature which requires the converting entity to pay a fee which covers funding losses incurred by CFC as a result of the conversion effectively precludes refinancing higher interest notes to lower interest notes. Cherryland commits to addressing these matters with CFC, with a view toward accomplishing more effective, less costly conversions to lower interest notes.

G. Staff and Cherryland agree that Cherryland should eliminate instances in which its MPSC jurisdictional electric customers subsidize non-jurisdictional or other operations. Cherryland will work with Staff to revise procedures to eliminate such subsidization.

H. Each signatory hereto agrees not to appeal, challenge or contest the rates approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

I. Cherryland, CRM and the Commission Staff jointly recommend that the Commission issue its Order Adopting Settlement Agreement in the form attached as Exhibit B.

J. Section 81 of the Administrative Procedures Act of 1969 is waived by the signatories.

Dated: April 25, 2002

  
COMMISSION STAFF

Larry Watterworth  
Assistant Attorney General  
6545 Mercantile Way, Suite 15  
Lansing, MI 48933  
(517) 334-7650

Dated: April 24, 2002

  
CHERRYLAND ELECTRIC  
COOPERATIVE

Albert Ernst  
DYKEMA GOSSETT PLLC  
800 Michigan National Tower  
Lansing, MI 48933  
(517) 374-9155

Dated: April 24, 2002

  
CRM, INC.

Eric Schneidewind  
VARNUM RIDDERING SCHMIDT  
HOWLETT LLP  
201 North Washington Square, Ste 810  
Lansing, Michigan 48933  
(517) 482-6237

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Power Supply Cost Recovery Clause (continued)

Not less than once a year and not later than 3 months after the end of the 12 month period covered by Cooperative's most recently authorized power supply cost recovery plan, a power supply cost reconciliation proceeding will be conducted to reconcile the revenues recorded pursuant to the power supply cost recovery factor and the allowance for cost of power included in the base rates as established by the Commission under Cooperative's most recent power supply cost recovery plan, among other things. Cooperative shall be required to refund to **member-consumers**, or to credit to **member-consumers'** bills, any net amount determined to have been recovered which is in excess of the amounts actually expended by Cooperative for power supply. Cooperative shall recover from **member-consumers** any net amount by which the amount determined to have been recovered over the period covered was less than the amount determined to have been actually expended by Cooperative for power supply.

For the **Four (4)** month period ended **April 2002**, the Power Supply Cost Recovery Factor is **\$0.00315** per kWh. The allowance for cost of power supply included in base rates is **\$0.06053** per kWh.

For the **Eight (8)** month period ended **December 31, 2002**, the Power Supply Cost Recovery Factor is **\$0.00183** per kWh. The allowance for cost of power supply included in base rates is **\$0.06018** 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 2002:

<u>Month</u>	<u>Authorized Factor</u>	<u>Applied Factor</u>
Jan 02	\$0.00315	
Feb 02	\$0.00315	
Mar 02	\$0.00315	
Apr 02	\$0.00315	
May 02	\$0.00183	
Jun 02	\$0.00183	
Jul 02	\$0.00183	
Aug 02	\$0.00183	
Sep 02	\$0.00183	
Oct 02	\$0.00183	
Nov 02	\$0.00183	
Dec 02	\$0.00183	

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated in Case No. U-

FARM AND HOME SERVICE  
(Schedule "A")

Availability

Available to **member-consumers** of the Cherryland Electric Cooperative for service to individual farm and *principal* permanent residential units for all usual farm and residential purposes subject to the Cooperative's established rules and regulations. When a portion of a residence or farm unit is definitely and primarily used for other than usual residential and farm purposes, this schedule is not applicable. However, if the wiring is so arranged that service for residential and farm purposes can be separately metered, this schedule is applicable to the residential and farm portion of the service and the remainder of the service will be separately metered and billed under whatever schedule is applicable. If the wiring is not so arranged that residential and farm use can be separately metered, then service must be taken under the appropriate general service schedule.

An apartment house may elect this schedule, except that the number of kilowatt-hours of the rate and the service charge shall be multiplied by the number of apartments. No credit will be given for unoccupied apartments.

Service under this schedule is limited to individual motors up to and including ten (10) horsepower unless otherwise authorized in writing by the Cooperative.

Type of Service

Alternating current, 60 hertz, single-phase, secondary voltage. The particular nature of the voltage is to be determined by the Cooperative.

Monthly Rate

Availability Charge:	\$10.00 per month
Energy Charge:	\$.0817 per kWh
Power Quality Program (optional):	\$ 2.80 per month

(continued to Sheet No. 8.01)

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by Bruce King,  
General Manager  
Grawn, Michigan

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(Schedule "A")  
(Continued from Sheet No. 8.00)

Minimum Charge

The minimum charge under the above rate shall be the **Availability Charge**, except in the case of apartment houses (see Availability" above). For **member-consumers** participating in the Cooperative's optional Power Quality Program, the minimum charge shall be increased by **\$2.80** per month.

Michigan Sales Tax

This tax shall be added to all bills, including minimums, where applicable.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations which are on file with the Michigan Public Service Commission and which are incorporated herein by reference.

Participation in the Cooperative's optional Power Quality Program requires at least a four year commitment as to continuous participation and a continuously active telephone line at the location of the service participating in the Power Quality Program.

The Cooperative's optional Power Quality Program is available to **member-consumers** of the Cooperative unless the telephone line at the location of the service is not readily accessible to the **member-consumer's** meter, or the meter or meter base is not adaptable to conversion to the Cooperative's optional Power Quality Program. If conditions require additional expenditures on the part of the Cooperative, the Cooperative shall be reimbursed therefore.

Power Quality Program

The Cooperative's Power Quality Program, available on an optional basis, includes energy quality monitoring, momentary power interruptions detection, voltage monitoring detection, power outage detection and automatic meter reading.

(continued to Sheet No. 8.02)

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by Bruce King,  
General Manager  
Grawn, Michigan

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dated \_\_\_\_\_ in Case No. U-

SCHEDULE A-S

SEASONAL RESIDENTIAL SERVICE

Availability

Available to any member-consumers of the Cooperative who *occupy their* ~~uses his~~ homes or cottages only a part of each year or at intervals during the year. It is not available to ~~for~~ member-consumers' ~~who occupy their homes twelve 12 months out of the year-~~ *principal permanent residential units.*

Type of Service

Alternating current, 60 hertz, single phase, approximately 120/240 volts.

Rate

Availability Charge: \$72.00 semi-annually  
Energy Charge: \$.0953 per kWh for all kWh  
Power Quality Program (optional): \$16.80 semi-annually

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. 7.00 and 7.01.

Minimum Charge

A minimum *semi-annual* charge of not less than the Availability Charge shall be billed in advance to each member-consumer taking service under this rate. For member-consumer participating in the Cooperative's optional Power Quality Program, the minimum semi-annual charge shall be increased by \$16.80.

Billing

**Every** member-consumer receiving service under this rate schedule will be billed semi-annually in advance for the minimum charge. All charges under the schedule in excess of the minimum charge will be billed semi-annually in accordance with the meter reading schedule.

Meter Reading

Meter readings and usage may be estimated for billing purposes. The Cooperative ~~will~~ *shall* read all meters at least once annually for ~~verification purposes-~~ *per MPSC Rule 306.*

continued to Sheet No. 10.01

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by Bruce King,  
General Manager  
Grawn, Michigan

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Issued under the authority of M.P.S.C.  
dated in Case No. U-

GENERAL SERVICE  
(Schedule "C")

Availability

This rate is available to all **member-consumers** of the Cherryland Electric Cooperative for all uses at secondary voltage, subject to the established rules and regulations of the Cooperative when the demand is less than 50 kW. ~~This rate is also available to member-consumers who would otherwise be billed under Schedules A (Farm and Home Service) or A-S (Seasonal Residential Service), where member-consumers keep their seasonal residence open year-round.~~ ***This rate is available for a residential dwelling which is not the member-consumer's principal permanent residence.***

Type of Service

Alternating current, 60 hertz, single or three phase, at the Cooperative's standard secondary voltages.

Monthly Rate

**Availability Charge:**

Single Phase	<b>\$16.20 per month or \$97.20 semi-annually</b>
Three Phase	<b>\$32.40 per month or \$194.40 semi-annually</b>

Energy Charge: All kWh @ \$.0754 per kWh.

Power Quality Program (optional for Single Phase Only): **\$2.80 per month or \$16.80 semi-annually**

Energy Charge Credit For Controlled Oil-Related Loads

An Energy Charge Credit of **\$0.003/kWh** shall be applied with respect to qualifying oil-related accounts. This credit shall be applied during any month in which the member-consumer's oil-related usage exceeds 500 kWh.

Michigan State Sales Tax

Michigan Sales Tax shall be added to all bills, including minimums, where applicable.

Minimum Charge

The minimum monthly charge shall be the **Availability Charge**. For **member-consumers** requiring more than 10 kVa of transformer capacity, the minimum monthly charge shall be the **Availability Charge** plus \$0.20 per kVa for all kVa over 10 kVa of required transformer capacity. For single phase **member-consumers** participating in the Cooperative's optional Power Quality Program, the minimum charge shall be increased by **\$2.80 per month**.

**The minimum semi-annual charge for member-consumers billed semi-annually under this schedule shall be the semi-annual Availability Charge for member-consumer requiring not more than 10 kVa of transformer capacity. For member-consumer requiring more than 10 kVa of transformer capacity, the minimum semi-annual charge shall be the semi-annual Availability Charge plus \$2.40 per kVa for all kVa over 10 kVa of transformer capacity. Sales tax will be added where applicable. The minimum semi-annual charge will be billed in advance to the member-consumer. For member-consumer participating in the Cooperative's optional Power Quality Program, the minimum semi-annual charge shall be increased by \$16.80.**

continued to Sheet No. 11.01

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by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
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Issued under the authority of M.P.S.C.  
dated in Case No. U-

**SCHEDULE LP**  
**LARGE GENERAL SERVICE**

Availability

This rate is available to all member-consumers of the Cherryland Electric Cooperative (Cherryland) for all uses at secondary voltage when billing demand is 25 kW or more, subject to rules and regulations of the Cooperative. **This rate is not available to member-consumers with combined generating unit capacities above 100 ~~KW~~-KVA**

Type of Service

Alternating current, 60 hertz, single or three-phase, at the Cooperative's standard secondary voltages.

Monthly Rate

Availability Charge:	<b>\$60.00 per month</b>
Demand Charge:	<b>\$9.10 per kW</b>
Energy Charge:	<b>\$.0430 per kWh</b>

Minimum Charge

The Minimum Charge shall be the Demand Charge for 25 kW plus the Availability Charge. The Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require. Such minimum charges will be specified in a supplemental contract between the Cooperative and the member-consumer

Billing Demand

**The Billing Demand shall be the kilowatts (kW) supplied during the 15-minute period of maximum usage in the billing period.**

For qualifying controlled oil-related large power loads, a billing demand credit shall be calculated according to the following formula:

$$\text{Cherryland Demand Charge} \times \text{MC Monthly Load Factor} = \text{BD Credit}$$

Where MC = Member-Consumer  
BD = Billing Demand

For the above formula, the monthly load factor shall be equal to that month's energy (in kwh) divided by the product of that month's demand (in kW) multiplied by 730 (hours per month) for the oil-related load. The above referenced billing demand credit shall be applied only during months in which the oil-related load is interrupted by Wolverine's load management system.

continued to Sheet No. 12.01

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated in Case No. U-

**SCHEDULE LP**

**LARGE GENERAL SERVICE**

(Continued from Sheet No. 12.00)

**Power Factor**

The above rate charges are predicated upon the member maintaining a power factor of not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the member's average power factor is found to be less than 90% lagging, the Billing Demand will be increased by the ratio that 90% bears to the member's actual power factor.

**Service To Controlled Oil-related loads**

This service schedule shall be available for service to controlled oil-related loads that meet the following criteria:

1. The oil-related load covered under this tariff shall be controlled off by Wolverine Power Supply Cooperative, Inc., Cherryland's power supplier, through its load management system. when the control period is over, Wolverine shall restore power to the oil pumping load; however, the member-consumer shall provide for the restart of the load, automatically or otherwise.
2. Along with the beam pump, all other large auxiliary loads (e.g., casing compressors, etc.) for each account shall be controlled. The member-consumer must notify Cherryland within 30 days after permanent installation of a casing compressor. The member-consumer shall also notify Cherryland within 30 days if a casing compressor is removed or a well site is abandoned.
3. The member-consumer must agree to remain on Cherryland's rate for a period of at least 24 months. The member-consumer may request that an account be removed from the rate before completing the minimum two years but must refund all billing credits received for that account. After 24 months, the member-consumer may terminate the control agreement with 30 days written notice to Cherryland.
4. If during the first 24 months under this tariff, an oil well no longer qualifies for a credit (i.e., casing compressor is removed and the well will no longer use 500 kWh per month) the member-consumer shall notify Cherryland. Under such condition, the member-consumer need not refund billing credits received for that account. The member-consumer shall provide for the removal of the switch and coupling capacitor and return them to Cherryland.
5. **The member-consumer may request notification via fax or telephone prior to likely control periods.**

continued to Sheet No. 12.02

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated in Case No. U-

**SCHEDULE LP**

**LARGE GENERAL SERVICE**  
(Continued from Sheet No. 12.02)

6. The member-consumer may request a control override for oil wells undergoing maintenance or other well work (e.g., hot oil treatments, etc.). If control is overridden on the day of electric system peak, then the member-consumer shall waive all credits for that account for that month.
7. The member-consumer shall allow routine inspection and testing of control equipment by Cherryland and Wolverine. Inspection dates and times will be coordinated with the member-consumer.
8. With respect to control duration, the following conditions are applicable to this rate:
  - A. Control is limited to a maximum of 400 hours per year
  - B. Control is limited to a maximum of 6 hours per day
9. With respect to casing compressors, the following conditions are applicable to this rate:
  - A. Casing compressors shall be cycled in winter such that for each 90 minutes of continuous control, the compressor will be restored for 30 continuous minutes.
  - B. Control in summer may occur for up to 6 continuous hours.
10. For purposes of ¶9 above, the winter season shall be defined as all months between and inclusive of November and April of the following year. The summer season shall be defined as all months between and inclusive of May and October of the same year.
11. For purposes of this rate, oil-related loads include oil and gas production facilities.

**Late Payment Charge:**

A late payment charge of 5% will be added to any bill not paid on or before the due date shown thereon. The due date shall be 21 days following the date of mailing.

**Primary Service Discount:**

A discount of ~~\*\$-.12~~ \$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 ~~\*\$-.12~~ \$0.12 per kVa discount.

**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. 7.00 and 7.01.

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated \_\_\_\_\_ in Case No. U-

Terms of Service:

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations which are on file with the Michigan Public Service Commission and which are incorporated herein by reference.

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
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Issued under the authority of M.P.S.C.  
dated in Case No. U-

**SCHEDULE LP**

**LARGE GENERAL SERVICE**  
(Continued from Sheet No. 12.02)

Tax Adjustment

A. 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 recognize such special charges and thereby prevent other member-consumers from being compelled to share such local tax increases or decreases.

B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Michigan State Sales Tax

Michigan State Sales Tax will be added on all bills, where applicable.

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
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Issued under the authority of M.P.S.C.  
dated in Case No. U-

M.P.S.C. No. 3 - Electric  
Cherryland Electric Cooperative

Tenth Revised Sheet No. 13.00  
Cancels Ninth Revised Sheet No. 13.00

THIS SHEET IS CANCELLED

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated in Case No. U-

M.P.S.C. No. 3 - Electric  
Cherryland Electric Cooperative

Sixth Revised Sheet No. 13.01  
Cancels Fifth Revised Sheet No. 13.01

THIS SHEET IS CANCELLED

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
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Issued under the authority of M.P.S.C.  
dated in Case No. U-

M.P.S.C. No. 3 - Electric  
Cherryland Electric Cooperative

Second Revised Sheet No. 13.02  
Cancels First Revised Sheet No. 13.02

THIS SHEET IS CANCELLED

Issued  
by Bruce King,  
General Manager  
Grawn, Michigan

Effective for all electric service on and  
after  
Issued under the authority of M.P.S.C.  
dated in Case No. U-

OUTDOOR LIGHTING SERVICE  
(Schedule OL)

Availability

Available for private area outdoor lighting service and to municipalities, political subdivisions and others for public street lighting with the provision that such users are or become **member-consumers** of the Cooperative.

Hours of Service

Dusk to dawn, controlled by photo-sensitive device, at night for approximately 4,200 hours per year.

Type of Service

Lighting from secondary or service lines. The Cooperative will own, operate and maintain the lighting fixtures. Burned out lamps must be reported by the **member-consumer**, and the Cooperative will undertake to replace lamps as soon as possible during regular working hours. Broken lamps or damage to fixtures by accident or vandalism will be repaired or replaced at the **member-consumer's** expense.

Monthly Rate

1. Using existing pole and secondary facilities:
  - \*175 watt mercury vapor lamp (7,500 Lumen) - **\$9.30** per month per fixture
  - 100 watt high pressure sodium lamp (8,500 Lumen) - **\$8.80** per month per lamp
  - \*200 watt high pressure sodium lamp (24,000 Lumen) - **\$15.00** per month per lamp
  
2. Requiring new pole and one span of new secondary facilities:
  - \*175 watt mercury vapor lamp (7,500 Lumen) - **\$10.30** per month per fixture
  - 100 watt high pressure sodium lamp (8,500 Lumen) - **\$9.80** per month per lamp
  - \*250 watt high pressure sodium lamp (24,000 Lumen) - **\$16.00** per month per lamp

\*For lamp sizes in excess of 250 watt high pressure sodium or 175 watt mercury vapor, a special contract ~~must be developed.~~ *is required.*

The following consumption assumptions are applicable:

175 Watt Mercury Vapor Lamp	80 kWh
100 Watt High Pressure Sodium Lamp	46 kWh
250 Watt High Pressure Sodium Lamp	115 kWh

continued to Sheet No. 14.01

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OPTIONAL IRRIGATION TIME-OF-DAY SERVICE  
(Schedule O.T.D.)

Availability

Available to all **member-consumers** of the Cooperative who use secondary service primarily for irrigation on a seasonal basis.

Type of Service

Alternating current, 60 hertz, single phase or three phase, at available secondary voltages.

Monthly Rate

**Availability Charge:**

Single Phase	<b>\$26.20</b>
Three Phase	<b>\$52.40</b>

**Energy Charge:**

Peak Period	All kWh @ \$.150 per kWh
Intermediate Period	All kWh @ \$.086 per kWh
Off-Peak Period	All kWh @ \$.048 per kWh

Minimum Charges

The Minimum Monthly Charge shall be the **Availability** Charge. For **member-consumers** requiring more than 10 kVa of transformer capacity, the Minimum Monthly Charge shall be the **Availability** Charge plus \$0.20 per kVa for all over 10 kVa of required transformer capacity.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations which are on file with the Michigan Public Service Commission and which are incorporated herein by reference.

Power Supply Cost Recovery Clause and Factor

This rate is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 7.00 and 7.01.

continued to Sheet No. 15.01

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SCHEDULE LPTOD

OPTIONAL LARGE POWER TIME OF DAY SERVICE

Availability

This rate is available to all member-consumer of the Cherryland Electric Cooperative for all uses at secondary voltage, when billing demand is 25 kW or more, subject to rules and regulations of the Cooperative. **This rate is not available to member-consumers with combined generating unit capacities above 100 KW-KVA.**

Type of Service

Alternating current, 60 hertz, single or three phase at the Cooperative's standard secondary voltages.

Monthly Rate

Availability Charge:		\$70.00/month
Demand Charge:		
Peak Period	@	\$10.40/kW plus
Maximum	@	\$ 2.95/kW
Energy Charge:	@	\$.041/kWh

Minimum Charge

~~The Minimum Charge shall be the Demand Charge for 25 kW plus the Availability Charge. The Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require. Such minimum charges will be specified in a supplemental contract between the Cooperative and the member consumer.~~

Power Supply Cost Recovery

The rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 7.00 and 7.01.

Determination of Billing Demand

Peak Period - The Peak Period Billing Demand shall be the maximum kilowatt demand established by the member-consumer for any period of 15 consecutive minutes recorded during the peak period for the month for which the bill is rendered, as indicated or recorded by a demand meter. The peak period is defined on Sheet No. 7.10.

Maximum Demand - The Maximum Billing Demand shall be the maximum kilowatt demand established by the member-consumer for any period of 15 consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

continued to Sheet No. 17.01

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**SCHEDULE LPTOD**  
**OPTIONAL LARGE POWER TIME OF DAY SERVICE**  
(Continued from Sheet No. 17.00)

**Primary Service Discount:**

A discount of ~~\*\$12~~ \$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 ~~\*\$12~~ \$0.12 per kVa discount.

**Power Factor**

The above rate charges are predicated upon the member-consumer maintaining a power factor not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the member-consumer's average power factor is found to be less than 90% lagging, the billing demand will be increased by the ratio that 90% bears to the member-consumer's actual power factor.

**Terms of Service**

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations which are on file with the Michigan Public Service Commission and which are incorporated herein by reference.

Continued to Sheet No. 17.02

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**SCHEDULE LPTOD**  
**OPTIONAL LARGE POWER TIME OF DAY SERVICE**  
(Continued from Sheet No. 17.01)

Late Payment Charge

A late payment charge of 5% shall be added to any bill not paid on or before the due date shown thereon. The due date shall be 21 days following the date of mailing.

Tax Adjustment

A. 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 recognize such special charges and thereby prevent other member-consumers from being compelled to share such local tax increases or decreases.

B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Michigan State Sales Tax

Michigan State Sales Tax shall be added to all bills, including minimums, where applicable.

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SCHEDULE PSDS

PRIMARY SERVICE RATE

Availability

This rate is available only to member-consumer with Firm Primary Service Loads of 500 kW or greater. This rate is available subject to the availability to the Cooperative of Wolverine Power Supply Cooperative's (Wolverine) Riders HLF and C&I. The member-consumer at its sole cost shall provide a dedicated phone service to metering location.

Service Options

Service may be taken 1) directly from a distribution substation, 2) from an existing three phase primary line, or 3) from a new three phase primary line. "Directly from a distribution substation" is defined as service in which the delivery point to the Consumer is within 1,000 feet of a distribution substation. "Service from an existing three phase primary line" is defined as service in which the delivery point to the Consumer is within 1,000 feet of an existing three phase primary line.

All rates assume service directly from a distribution substation. For member-consumer served from an existing three-phase primary line, add \$1.11/kW; or for member-consumer served from a new three-phase primary line, add \$2.22/kW.

Rate

The monthly rate for Firm Service through Wolverine's "Rider HLF" or "Rider C&I" tariffs (whichever is applicable) shall be:

<u>Rider HLF</u>	
Demand Charge:	\$15.29/kW
Energy Charge	<b>\$0.03848/kWh</b>
<u>Rider C&amp;I</u>	
Demand Charge:	\$8.38/kW
Energy Charge:	<b>\$0.03982/kWh</b>
Reactive Charge:	\$0.293/kVAR

Reactive Demand

The reactive demand for the month shall be the maximum kVAR demand, leading or lagging, for any one-hour period for any day.

continued to Sheet No. 19.01

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**SCHEDULE CBG  
CUSTOMER-OWNED BACKUP GENERATION**

**AVAILABILITY:**

This rate is available only to customers served under Schedules LP, LPTOD, COG or PSDS who own and operate the generating unit(s) having a total on-site capacity of 100 kW KVA or greater which can be called upon from time to time by Wolverine Power Supply Cooperative, Cherryland's power supplier, to provide backup.

This rate schedule is not intended for seasonal loads, nor is it intended for customers served under the interruptible PSDS Rate.

**MONTHLY RATE:**

The customer shall be billed under either Schedule LP, LPTOD, or PSDS as appropriate, adjusted for the following credit:

Demand Charge Credit @ \$2.50/kW

The Demand Charge Credit will be applied to the lesser of:

1. The average Monthly Billing Demand of the retail customer for the most recent December, January, and February billings. In instances where the retail customer is billed under a Large Power Time-of-Day rate, or its equivalent, the term "Billing Demand" shall refer to the Peak Period Demand.
2. The actual amount of load interrupted as determined by a test in accordance with the Conditions For Service From this Schedule, paragraph 4.

**CONDITIONS FOR SERVICE FROM THIS SCHEDULE:**

This service schedule shall be available for service to members of Cherryland who own and operate generating units which can be used by Wolverine as backup and which meet the following criteria:

1. The output from the retail customer-owned generating unit(s) shall be separately metered with a recording watt-hour demand meter using either magnetic tape or electronic memory for recording data.
2. The total rated capacity of the retail customer-owned generating unit(s) on each site must be 100 kW or greater.
3. The retail customer-owned generating units must be capable of:

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**SCHEDULE COG**

**CUSTOMER OWNED GENERATION**

Availability

This rate is available only to member-consumers with on-site combined electric generating capacity of ~~100 KW~~ *KVA* or greater. Service will be separately metered with a recording demand meter that uses electronic memory for recording data. The member-consumer, at its sole cost, shall provide a phone service to the metering location. **If the cooperative has to read the meter because the telephone line did not function properly, the member-consumer will pay the authorized meter-reading fee.** There are two options for service under this rate, the LP Rate and the LPTOD (Time of Day) Rate.

Type of Service

Alternating current, 60 hertz, single or three-phase, at the Cooperative's standard secondary voltages.

Monthly Rate

**LP Rate**

Availability Charge: **\$60.00 per month**

Demand Charge:

**Distribution Demand- maximum demand for current month or prior 11 months**  
**\$3.02 per kW for service at secondary voltage**  
**\$2.80 per kW for service at primary voltage**

**Plus: Demand- maximum demand for current month**  
**\$6.08 per KW**

Energy Charge: **\$.043 per kWh**

Demand shall be the kilowatts (kW) supplied during the 15-minute period of maximum usage.

**LPTOD Rate**

Availability Charge: **\$70.00 per month**

Continued on Sheet No. 25.01

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**SCHEDULE COG**  
**CUSTOMER OWNED GENERATION**  
**(Continued from Sheet No. 25.00)**

Demand Charge:

**Distribution Demand- maximum demand for current month or prior 11 months**  
\$2.95 per kW for service at secondary voltage  
\$2.73 per kW for service at primary voltage

**Plus: Peak Period Demand- peak period demand for current month**  
\$10.40 per KW

*PLUS:* Energy Charge \$0.041 per kWh

**Determination of Billing Demand**

**Distribution Demand-** The maximum kilowatt demand established by the member consumer for any period of 15 consecutive minutes during the current month or the previous 11 months, as indicated or recorded by a demand meter.

**Peak Period Demand** - The maximum kilowatt demand established by the member-consumer for any period of 15 consecutive minutes during the on-peak period of the month for which the bill is rendered, as indicated or recorded by a demand meter. The peak period is defined on Sheet No. 7.10.

**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. 7.00 and 7.01.

**Minimum Charge**

The Minimum Charge shall be the Demand Charges plus the Availability Charge.

**Parallel Generation**

Service is subject to the Cooperative's Requirements for Operation of Parallel Generation Facilities as set forth on Sheet No. 7.20-7.22.

**Primary Service Discount:**

A discount of ~~\*\$12~~ \$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 ~~\*\$12~~ \$0.12 per kVa discount.

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**SCHEDULE COG**  
**CUSTOMER OWNED GENERATION**  
**(Continued from Sheet No. 25.00)**

Power Factor

The above rate charges are predicated upon the member maintaining a power factor of not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the member's average power factor is found to be less than 90% lagging, the current month's demand will be increased by the ratio that 90% bears to the member's actual power factor.

Late Payment Charge:

A late payment charge of 5% will be added to any bill not paid on or before the due date shown thereon. The due date shall be 21 days following the date of mailing.

Terms of Service:

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations which are on file with the Michigan Public Service Commission and which are incorporated herein by reference.

Tax Adjustment

A. 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 recognize such special charges and thereby prevent other member-consumers from being compelled to share such local tax increases or decreases.

B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Michigan State Sales Tax

Michigan State Sales Tax will be added on all bills, where applicable.

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