

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the applications of)
CHERRYLAND ELECTRIC COOPERATIVE,)
GREAT LAKES ENERGY COOPERATIVE,)
HOMEWORKS TRI-COUNTY ELECTRIC)
COOPERATIVE, AND PRESQUE ISLE)
ELECTRIC & GAS CO-OP, for a power supply)
cost recovery reconciliation proceeding and for)
a times interest earned ratio ratemaking)
mechanism review for the 12-month period)
ended December 31, 2006.)
_____)

Case No. U-14710-R

At the July 5, 2007 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Monica Martinez, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On April 3, 2007, HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application requesting approval of its power supply cost recovery (PSCR) proceeding for the 12-month period ended December 31, 2006 and of its times interest earned ratio (TIER) ratemaking mechanism for the 12-month period ended December 31, 2006.

HomeWorks reported that its PSCR revenues exceeded its PSCR costs in the amount of \$790,198. With respect to its TIER ratemaking mechanism, HomeWorks reported an adjusted TIER for the 12-month period ended December 31, 2006 of 1.32, which requires a \$1,046,986 or a 3.39% increase in revenue to return margins to the 2.0 target TIER.

Pursuant to due notice, a prehearing conference was held on June 5, 2007, before Administrative Law Judge Sharon L. Feldman. The Commission Staff (Staff) participated in the proceedings.

Subsequently, the parties submitted a settlement agreement, attached as Exhibit A, in which they agreed that: (i) HomeWorks experienced a \$788,730 overrecovery for the 12-month period ended December 31, 2006; (ii) after netting prior years' over- and underrecoveries, HomeWorks should be authorized to refund the remaining \$526,962 net overrecovery to member-consumers by reducing their monthly PSCR factors; (iii) an adjusted TIER of 1.36 and a revenue increase of \$969,005 to be allocated on a class-by-class basis should be approved; (iv) HomeWorks' request to revise its tariffs to reflect the rate changes should be approved; and (v) HomeWorks' annual reconciliation proceedings should be filed no later than 4 months after the end of the 12-month period covered by its most recent PSCR plan.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved.

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 460.551 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1982 PA 304, as amended, MCL 460.6h *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, 1999 AC, R 460.17101 *et seq.*
- b. The settlement agreement is reasonable and in the public interest, and should be approved.
- c. HomeWorks' \$788,730 overrecovery for the 12-month period ended December 31, 2006 should be approved.
- d. HomeWorks' refund methodology for the \$526,962 net overrecovery should be approved.

e. HomeWorks' TIER of 1.36 for the 12-month period ended December 31, 2006, requiring a revenue increase of \$969,005 to be allocated on a class-by-class basis, should be approved.

f. HomeWorks' tariff revisions should be approved.

THEREFORE, IT IS ORDERED that:

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

B. HomeWorks Tri-County Electric Cooperative's \$788,730 overrecovery for the 12-month period ended December 31, 2006 is approved.

C. HomeWorks Tri-County Electric Cooperative's methodology to refund the remaining \$526,962 net overrecovery is approved.

D. HomeWorks Tri-County Electric Cooperative's times interest earned ratio of 1.36, requiring a revenue increase of \$969,005 to be allocated on a class-by-class basis, is approved.

E. Within 30 days of the date of this order, HomeWorks Tri-County Electric Cooperative shall file tariff sheets essentially the same as that attached to the settlement agreement.

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/ J. Peter Lark
Chairman

(S E A L)

/s/ Monica Martinez
Commissioner

By its action of July 5, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

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

Chairman

Commissioner

By its action of July 5, 2007.

Its Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the applications of Cherryland)	
Electric Cooperative, Great Lakes Energy)	
Cooperative, HomeWorks Tri-County Electric)	
Cooperative, and Presque Isle Electric &)	Case No. U-14710-R
Gas Co-Op (i) for a power supply cost recovery)	
reconciliation proceeding and (ii) for a TIER)	
Ratemaking mechanism review -- both for the)	
twelve-month period ended December 31, 2006.)	
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SETTLEMENT AGREEMENT

On April 3, 2007, HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application relative to (i) its power supply cost recovery (PSCR) reconciliation proceeding for the 12 months ended December 31, 2006 and (ii) its Times Interest Earned Ratio (TIER) Ratemaking Mechanism for the twelve month period ended December 31, 2006.

With respect to its PSCR reconciliation, HomeWorks reported an overcollection (power supply revenues exceed power supply costs) in the amount of \$790,198. With respect to its TIER Ratemaking Mechanism, HomeWorks reported that its adjusted TIER for the twelve-month period ended December 31, 2006 is 1.32, which requires a \$1,046,986 (3.39%) revenue increase to return margins to the 2.0 Target TIER.

At the prehearing conference on June 5, 2007, Administrative Law Judge Sharon Feldman (ALJ) presiding, HomeWorks 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.

Only the Commission Staff (Staff) and HomeWorks participated in the proceedings. The proceeding was conducted as a contested case matter pursuant to Chapter 4 of the Administrative Procedures Act of 1969, 1969 PA 306.

Prior to the June 5, 2007 prehearing conference, the parties exchanged information and discussed HomeWorks' filing. The result of those discussions is this executed settlement agreement.

It is the opinion of the signatories hereto that this settlement agreement will promote the public interest, will aid the expeditious conclusion of this case and will minimize the time and expense which otherwise would have to be devoted to this matter by the Commission and the parties. This settlement agreement is for the purpose of final resolution of this case 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). By this settlement agreement, HomeWorks and Staff hereby agree and stipulate as follows:

1. For the 12 months ended December 31, 2006, HomeWorks experienced an overcollection in the amount of \$788,730. After netting the 2006 overcollection with prior year under/overrecoveries, the remaining amount to be refunded to member-consumers is \$526,962. HomeWorks will refund the remaining \$526,962 overcollection by reducing its member-consumers' monthly PSCR factor.

2. For the twelve month period ended December 31, 2006, HomeWorks' adjusted TIER is 1.36 and a revenue increase of \$969,005 is required. On a class-by-class basis, the tariff sheets attached hereto result in the following impacts:

Class-By-Class % Increase/(Decrease)

<u>Rate Class</u>	<u>% Increase</u>
Farm and Home Service (A)	3.2%
Farm & Home Optional Time of Day (A-2)	3.6%
Controlled Heating (CH)	3.7%
General Service (B)	2.9%
Optional General Service Time-of-Day (B-1)	3.3%
Large Power Service (CD)	2.3%
Optional Large Power Service Time-of-Day (CD-1)	2.3%
Optional Irrigation Service Time of Day (CD-2)	3.6%
Primary Service Rate (PSDS)	2.4%
Street Lighting (SL)	4.1%
Partial Controlled Heating (PCH)	4.0%
Unmetered (UR)	3.3%
Total-All Classes	3.0%

3. In future TIER Ratemaking filings, HomeWorks will provide a Revenue by Rate Calculation spreadsheet and Bill Frequency Distribution Reports.

4. Consistent with the Commission's October 18, 2005 Order in Case U-14500, HomeWorks' tariffs should be revised to state that HomeWorks' annual reconciliation proceedings will be filed no later than four months after the end of the 12-month period covered by its most recent PSCR plan.

5. HomeWorks should be authorized to revise its rates to reflect the changes on the tariff sheets attached as Exhibit A.

6. 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.

7. HomeWorks and the Commission Staff jointly recommend that the Commission issue its order adopting settlement agreement.

8. This settlement agreement has been made for the sole and express purpose of reaching compromise among the positions of the signatory parties without prejudice to their rights to take new and/or different positions in other proceedings. If the Commission approves this settlement agreement without modification, neither the parties to this settlement agreement nor the Commission shall make any reference to or use of the settlement agreement or the order approving it as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in this case or any other cases or proceedings; provided, however, such reference or use may be made to enforce the settlement agreement and order

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

Dated: June 12, 2007

COMMISSION STAFF
Michael J. Orris (P51232)
Assistant Attorney General
6545 Mercantile Way, Suite 15
Lansing, MI 48933
(517) 241-6680

Dated: June 12, 2007

HOMEWORKS TRI-COUNTY
ELECTRIC COOPERATIVE
Albert Ernst (P24059)
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SCHEDULE A

FARM AND HOME SERVICE

Availability

Available in all territory served by the Cooperative in accordance with the Cooperative's Service Rules and Regulations.

Applicability

Applicable only for farm and home use and for use incidental thereto supplied through one meter to each individual dwelling unit, providing that the transformer capacity does not exceed 30 kVA. The capacity of individual motors served under this Schedule shall not exceed ten horsepower except by written permission of the Cooperative.

Type of Service

Single-phase, 60 hertz at available secondary voltages.

Monthly Rate

Availability Charge: \$12.00 per month

Energy Charge: \$0.0937 per kWh

Monthly Rate for Multiple Dwellings (Apartment Buildings) with five (5) or more meters are in a common location served from a single service drop:

Availability Charge: \$8.00 per month per meter

Energy Charge: \$0.0937 per kWh

Minimum Charge

The minimum charge is the Availability Charge or that which may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01.

(Continued on Sheet No. 8.01)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE A-2

FARM AND HOME OPTIONAL TIME-OF-DAY SERVICE

Availability

Available in all territory served by the Cooperative in accordance with the Cooperative's Service Rules and Regulations. The member-consumer must contract to receive service on this rate for a minimum of twelve months.

Applicability

Applicable only for farm and home use and for use incidental thereto supplied through one meter to each individual dwelling unit, providing that the transformer capacity does not exceed 30 kVA. The capacity of individual motors served under this Schedule shall not exceed ten horsepower except by written permission of the Cooperative.

Type of Service

Single-phase, 60 hertz at available secondary voltages.

Monthly Rate

Availability Charge:		\$18.50 per month
Energy Charge:		
On-Peak	@	\$0.1004 per kWh
Intermediate	@	\$0.0818 per kWh
Off-Peak	@	\$0.0728 per kWh

Definition of Periods

The time periods applicable to the rate are set forth on Sheet No. 7.35.

(Continued on Sheet No. 8.06)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CH

CONTROLLED HEATING
(Continued from Sheet No. 8.50)

Option No. 3 - Air Conditioning

This option is available for air conditioning loads when used in conjunction with one of the two options of controlled space heating load listed above. Service under this option is available for all hours except when controlled by the Cooperative. The number of hours when service is controlled shall not exceed 200 hours per cooling season.

Monthly Rate

Energy Charge: **\$0.0551** per kWh

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the member-consumer for service.

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 customers from being compelled to share such local 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 on all bills, where applicable.

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE B
GENERAL SERVICE

Availability

Available in all territory served by the Cooperative in accordance with the Cooperative's Service Rules and Regulations.

Applicability

Applicable to all member-consumers who have installed transformer capacity of 50 kVA or less.

Type of Service

Single-phase and three-phase where available at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase, unless otherwise specified in writing by the Cooperative.

Billing Rate

	<u>Single Phase Service</u>	<u>Three Phase Service</u>
Monthly Availability Charge:	\$20.00 per month	\$35.00 per month
or		
Annual Availability Charge:	\$240.00 per year	\$420.00 per year
Energy Charge:	\$0.0965 per kWh	\$0.0965 per kWh

Credit For Controlled Oil-Related Loads

An Energy Charge Credit of **\$0.0030** per 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. This credit is available subject to the availability to the Cooperative of Wolverine Power Supply Cooperative's (Wolverine) Rider "OIL".

(Continued on Sheet No. 9.01)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE B

GENERAL SERVICE
(Continued from Sheet No. 9.02)

Minimum Charges

- A. The monthly minimum charge is the Monthly Availability Charge where the transformer capacity does not exceed 30 kVA. The monthly minimum charge for service where the transformer capacity exceeds 30 kVA will be increased by **\$0.75** per kVA for each additional kVA or fraction thereof; or
- B. The annual minimum charge under the Schedule B rate shall be the Annual Availability Charge. The annual minimum charge for service where the transformer capacity exceeds 30 kVA will be increased \$9.00 per kVA for each additional kVA or fraction thereof; or
- C. As may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the member-consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule B rate applied to the member-consumer's monthly consumption.

Terms of Payment

- A. A one-time late payment charge of five percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.

(Continued on Sheet No. 9.04)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE B-1

OPTIONAL GENERAL SERVICE TIME-OF-DAY

Availability

Available in all territory served by the Cooperative in accordance with the Cooperative's Service Rules and Regulations. The member-consumer must contract to receive service on this rate for a minimum of twelve months.

Applicability

Applicable to all member-consumers who have installed transformer capacity of 50 kVA or less.

Type of Service

Single-phase and three-phase where available at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase, unless otherwise specified in writing by the Cooperative.

Billing Rate

	<u>Single Phase Service</u>	<u>Three Phase Service</u>
Monthly Availability Charge:	\$25.00 per month	\$43.00 per month
or		
Annual Availability Charge:	\$300.00 per year	\$516.00 per year
Energy Charge:		
On-Peak @	\$0.1189 per kWh	\$0.1189 per kWh
Intermediate @	\$0.0817 per kWh	\$0.0817 per kWh
Off-Peak @	\$0.0741 per kWh	\$0.0741 per kWh

(Continued on Sheet No. 9.51)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE B-1

OPTIONAL GENERAL SERVICE TIME-OF-DAY
(Continued from Sheet 9.50)

Definition of Periods

The time periods applicable to the rate are set forth in Sheet No. 7.35.

Minimum Charges

- A. The monthly minimum charge is the Monthly Availability Charge where the transformer capacity does not exceed 30 kVA. The monthly minimum charge for service where the transformer capacity exceeds 30 kVA will be increased by **\$0.75** per kVA for each additional kVA or fraction thereof; or
- B. The annual minimum charge under the Schedule B-1 rate shall be the Annual Availability Charge. The annual minimum charge for service where the transformer capacity exceeds 30 kVA will be increased \$9.00 per kVA for each additional kVA or fraction thereof; or
- C. As may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01.

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the member-consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule B-1 rate applied to the member-consumer's monthly consumption.

(Continued on Sheet No. 9.52)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD
LARGE POWER SERVICE

Availability

Available for three-phase secondary service to member-consumers of the Cooperative operating three-phase equipment on or near its multi-phase lines, subject to the established Rules and Regulations of the Cooperative; also primary rated single-phase and three-phase service.

Applicability

Applicable to all Large Power member-consumers who have installed transformer capacity in excess of 50 kVA.

Type of Service

Three-phase, 60 hertz, at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase unless otherwise specified in writing by the Cooperative.

Billing Rate

Monthly Availability Charge: \$75.00 per month

or

Annual Availability Charge: \$900.00 per year

Demand Charge: \$8.72 per kW

Energy Charge: **\$0.0622** per kWh

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 billing is rendered, as indicated or recorded by a demand meter.

(Continued on Sheet No. 10.01)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD

LARGE POWER SERVICE
(Continued from Sheet No. 10.02)

- 2. The operator of the irrigation system may request a monitoring device to signal the start or stop of a control period. The operator shall be responsible for all costs associated with the installation of the monitoring device.
- 3. The operator of the irrigation system shall be provided with the means to override the control signal from Wolverine. However, in the event that the operator actually overrides the control signal on an irrigation system, the billing demand credits to the member-consumer associated with that irrigation system shall be forfeited for the entire season.

Minimum Charge

- A. The monthly minimum charge is the Monthly Availability Charge plus **\$0.75** per kVA for each additional kVA or fraction thereof in excess of 50 kVA of transformer capacity; or
- B. The annual minimum charge under the Schedule CD rate shall be the Annual Availability Charge plus \$9.00 per kVA for each additional kVA or fraction thereof in excess of 50 kVA of transformer capacity; or
- C. As may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01.

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the member-consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule CD rate applied to the member-consumer's monthly consumption.

(Continued on Sheet No. 10.04)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD-1

OPTIONAL LARGE POWER TIME-OF-DAY SERVICE

Availability

Available for three-phase secondary service to member-consumers of the Cooperative operating three-phase equipment on or near its multi-phase lines, subject to the established Rules and Regulations of the Cooperative; also primary rated single-phase and three-phase service. The member-consumer must contract to receive service on this option for a minimum of twelve months.

Applicability

Applicable to all Large Power member-consumers who have installed transformer capacity in excess of 50 kVA.

Type of Service

Three-phase, 60 hertz, at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase unless otherwise specified in writing by the Cooperative.

Monthly Rate

Availability Charge:		\$85.00 per month
Demand Charge:		
Peak Period	@	\$8.78 per kW <u>plus</u>
Maximum	@	\$2.32 per kW
Energy Charge:	@	\$0.0622 per kWh

(Continued on Sheet No. 10.51)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD-1

OPTIONAL LARGE POWER TIME-OF-DAY SERVICE

(Continued from Sheet No. 10.50)

Determination of Billing Demand

1. Peak Period : The Peak Period Billing Demand shall be the maximum kilowatt demand established by the member-consumer for any period of fifteen consecutive minutes recorded during the peak periods as defined on Sheet No. 7.35 during the month for which the bill is rendered, as indicated or recorded by a demand meter.
2. Maximum Demand - The Maximum 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.

Minimum Charge

- A. The monthly minimum charge is the Monthly Availability Charge plus \$0.75 per kVA for each additional kVA or fraction thereof in excess of 50 kVA of transformer capacity; or
- B. As may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01.

Primary Service Discount

A discount of \$0.10/kVA of required transformer capacity shall be applied to the bill when service is taken by the member-consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0 percent shall be applied to the bill.

(Continued on Sheet No. 10.51-1)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD-2

OPTIONAL IRRIGATION SERVICE TIME-OF-DAY

Availability

Available for irrigation on a seasonal basis in all territory served by the Cooperative in accordance with the Cooperative's Service Rules and Regulations. The member-consumer must contract to receive service on this rate for a minimum of twelve months.

Applicability

Applicable to all member-consumers who have installed transformer capacity equal to or greater than 50 kVA.

Type of Service

Single-phase and three-phase where available at standard secondary voltages. Motors having a rated capacity in excess of ten horsepower must be three-phase, unless otherwise specified in writing by the Cooperative.

Billing Rate

	<u>Single Phase Service</u>	<u>Three Phase Service</u>
Monthly Availability Charge:	\$25.00 per month	\$43.00 per month
or		
Annual Availability Charge:	\$300.00 per year	\$516.00 per year
Energy Charge:		
On-Peak @	\$0.2210 per kWh	\$0.2210 per kWh
Intermediate @	\$0.1168 per kWh	\$0.1168 per kWh
Off-Peak @	\$0.0871 per kWh	\$0.0871 per kWh

(Continued on Sheet No. 10.53)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE CD-2

OPTIONAL IRRIGATION SERVICE TIME-OF-DAY
(Continued from Sheet No. 10.53)

4. Wolverine's control of the irrigation load shall generally be limited to the period 4:00 p.m. to but not including 12:00 a.m.

Minimum Charge

- A. The monthly minimum charge is the Monthly Availability Charge plus \$0.75 per kVA for each additional kVA or fraction thereof in excess of 50 kVA of transformer capacity; or
- B. The annual minimum charge under the Schedule CD-2 rate shall be the Annual Availability Charge plus \$9.00 per kVA for each additional kVA or fraction thereof in excess of 50 kVA of transformer capacity; or
- C. As may be specified in a supplemental contract between the Cooperative and the member-consumer.

Power Supply Cost Recovery

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause as set forth on Sheet Nos. 12.00 to 12.01.

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the member-consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule CD-2 rate applied to the member-consumer's monthly consumption.

Terms of Payment

- A. A one-time late payment charge of five percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.

(Continued on Sheet No. 10.55)

Issued: _____
by Scott Braeger
Portland, Michigan

Effective for service rendered on and after

Issued under the authority of M.P.S.C. order
dated _____ in Case No. U-14710-R-TIER

SCHEDULE PSDS

PRIMARY SERVICE RATE

Availability

This rate is available only to Primary Service Loads (Consumer) of 500 kW or greater. This rate is available subject to the availability to the Cooperative of Wolverine Power Supply Cooperative's(Wolverine) Schedule A, Rider C&I and Rider LPI.

Service Options

The member-consumer may choose to receive electric service under either Option No. 1, Firm Primary Service Rate (Firm Service), or Option No. 2, Interruptible Primary Service Rate (Interruptible Service). At its option, the member-consumer may change from Firm Service to Interruptible Service, and from Interruptible Service to Firm Service, after first having given the Cooperative twelve (12) months written notice.

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 member-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 member-consumer is within 1,000 feet of an existing three-phase primary line.

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

Firm Service

The monthly rate for Firm Service for member-consumers with Primary Service Loads of less than 1500 kW shall be:

Schedule A

Demand Charge:	\$10.98/kW
Energy Charge:	\$0.0517/kWh

(Continued on Sheet No. 10.61)

Issued: _____
by Scott Braeger
Portland, Michigan

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SCHEDULE PSDS

PRIMARY SERVICE RATE
(Continued from Sheet No. 10.60)

The monthly rate for Firm Service for consumers with Primary Service Loads of 1500 kW or greater shall be:

"Rider C&I"

Demand Charge:	\$8.38/kW
Energy Charge:	\$0.0452/kWh
Reactive Charge:	\$0.2925 per 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.

Interruptible Service

The monthly rate for Interruptible Service for member-consumers with Primary Service Loads of greater than 500 kW shall be:

"Rider LPI"

Demand Charge:	\$7.65/kW
Energy Charge:	\$.0438/kWh

All Interruptible Options

Electric service may be interrupted if Wolverine determines such action is necessary to maintain system integrity or if the hourly cost of delivered power to Wolverine's load center equals or exceeds a level of **\$0.05** per kilowatt-hour.

The member-consumer may avoid interruption, except in the case of interruptions caused by system emergencies, by the interruptible buy out provision of \$58.50 per KW based on the highest hourly demand recorded during the interruption period. The member-consumer shall also pay \$.0585 per kWh for all energy used during the interruption period.

(Continued on Sheet No. 10.62)

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SCHEDULE SL

STREET LIGHTING SERVICE

Street Lighting is available through the Cooperative for member-consumers meeting the following conditions:

Cooperative Owned Lights

1. Member-consumers must have in use a minimum of three lights.
- 2.* 175 Watt Mercury Vapor Light @ **\$8.09** per month
3. 100 Watt High Pressure Sodium @ **\$6.27** per month
4. 250 Watt High Pressure Sodium @ **\$12.94** per month

*This service closed to new accounts. Mercury Vapor Lights will be replaced with High Pressure Sodium Lights as replacements become necessary.

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. 12.00 to 12.01. For purposes of this calculation, the following energy estimates shall be used:

<u>Size and Type</u>	<u>kWh/mo/ Light</u>
175W MV	67
100W HPS	38
250W HPS	96

(Continued on Sheet No. 11.01)

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SCHEDULE PCH

PARTIAL CONTROLLED HEATING SERVICES

Availability

Available to member-consumers taking monthly service concurrently under Rate Schedules A or B. This rate is available subject to the availability to the Cooperative of Wolverine Power Supply Cooperative's Rider "CH".

This rate is for controlled service to electric space heating loads which are controlled by the Cooperative where the amount of control exercised by the Cooperative is limited as described below:

Type of Service

Single-phase, or three-phase, 60 hertz, at available secondary voltage. Service under this schedule will be available at all times except when controlled by the Cooperative during times of peak system demand or system emergencies. The total number of hours that this load will be controlled shall be limited to a maximum of 400 hours per heating system. Air conditioning, which is used in conjunction with controlled space heating, is eligible for service under this rate subject to interruption up to 200 hours per cooling season. In instances where the entire electric heating load is under the control of the Cooperative, the control period is limited to a maximum of 40 minutes out of each hour for a maximum of 6 hours per day. Where 50 percent or more of the entire heating load is under the control of the Cooperative, the control may be exercised for up to six hours per day. To qualify for service under this rate, the portion of the member-consumer's load subject to control must be either separately metered or sub-metered off the master meter.

Monthly Rate

Energy Charge for Controlled Load

As set forth in Schedule A or B, whichever is applicable, including the power supply cost recovery provision, discounted @ \$0.015 per kWh

(Continued on Sheet No. 14.01)

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SCHEDULE SB

STANDBY ELECTRIC SERVICE

Availability

Available for Standby Electric Service to member-consumers of the Cooperative who own and operate their own generating units which under normal operating conditions are used to supply all or a portion of the member-consumer's power and energy requirements. Member-consumers served under this rate shall enter into an Interconnection Agreement with the Cooperative.

Type of Service

Three-phase, 60 hertz, at standard secondary voltages.

Monthly Rate

Availability Charge: \$50.00 per month

Demand Charge

 Peak Period @ \$10.45 per kW plus

 Contract @ \$2.35 per kW

 Energy Charge @ **\$0.0605** per kWh

Determination of Billing Demand

1. **Peak Period:** The Peak Period Billing Demand shall be the maximum kilowatt demand established by the member-consumer for any period of fifteen consecutive minutes recorded between 5:00 p.m. to but not including 10:00 p.m., weekdays during the month for which the bill is rendered, as indicated or recorded by a demand meter.
2. **Contract Demand:** The Contract Billing Demand shall be the maximum kilowatt demand which the Cooperative will be expected to provide during an outage of the member-consumer owned generating facilities. The Contract Demand shall be specified in the Interconnection Agreement.

(Continued on Sheet No. 11.01)

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SCHEDULE CD - C

LARGE POWER SERVICE RATE-CHOICE
(Continued from Sheet No. 21.00)

Demand Charge:	\$1.80 per kW
Variable Distribution Charge:	\$.0202 per kWh
PSDF Charge	\$.0050 per kWh

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member-Consumer for any period of fifteen (15) consecutive minutes during the month for which billing is rendered, as indicated or recorded by a demand meter.

Minimum Charge

The minimum charge shall not be less than the Monthly Availability Charge plus the Demand Charge times 200 kW. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

Bill Rendered Annually

Upon mutual agreement of the Cooperative and the Member-Consumer, the bills for service provided under this rate schedule may be rendered annually. Though rendered by the Cooperative in such a manner, the bills will be calculated using the Schedule CD-Choice rate applied to the Member-Consumer's monthly consumption.

Terms of Payment

- A. A one-time late payment charge of five percent of the unpaid balance, net of taxes, will be assessed on any bill which is delinquent.

(Continued on Sheet No. 21.02)

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SCHEDULE PSDS-C

PRIMARY 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 Primary Service Rate, Schedule PSDS. 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 500 kW. Individual Member-Consumers receiving demand metered service at multiple metering points and eligible to be taking service under the Cooperative's Schedule CD or Schedule PSDS may achieve the 500 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:	\$4.26/kW
Variable Distribution Charge:	\$.0109/kWh
PSDF Charge:	\$.0050/kWh

Minimum Charge

The minimum charge shall not be less than the Demand Charge times 500 kW. The monthly minimum charge may be increased, in accordance with the Cooperative's rules and regulations, in those cases in which a greater than average investment is necessary in order to serve an account under this schedule, in those cases in which maximum demand is highly seasonal in nature, and those cases in which the member's equipment causes high demands or short time duration or of intermittent nature.

(Continued on Sheet No. 22.01)

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