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### Power Supply Cost Recovery

Power Supply Cost Recovery (PSCR) refers to a pricing mechanism commonly employed by utilities such as Cherryland Electric Cooperative (Cherryland). It is used to make short term power supply pricing adjustments. PSCR is also referred to as Fuel Cost Adjustment or Power Cost Adjustment.

A utility like Cherryland establishes retail rate energy charges. The retail rate is measured in kilowatt hours (kWh) and consists of two different components – power supply and the costs necessary to operate the utility. The portion of Cherryland’s retail rate designated for power supply is \$0.07748 per kWh. This is known as the “base rate”, the amount required to cover the cost of power supply.

Each year Cherryland balances its actual power supply costs against the power supply base rate charge embedded in its retail rates. Depending on whether the actual power supply costs exceed or fall below the power supply charge of \$0.07748, Cherryland passes along the additional cost or savings to its members through a billing line item labeled “PSCR Adjustment”.

The maximum PSCR Cherryland can charge its members is determined by the Cooperative’s Board of Directors. PSCR can fluctuate from month-to-month but will not exceed the approved maximum.

Following is Cherryland’s PSCR plan for the current calendar year:

<u>Year</u>	<u>Month</u>	<u>Maximum Authorized 2011 PSCR Factor (per kWh)</u>	<u>Actual Factor Billed (per kWh)</u>
2011	January	\$0.01506	\$0.01506
2011	February	\$0.01506	\$0.01506
2011	March	\$0.01506	\$0.01506
2011	April	\$0.01506	\$0.01506
2011	May	\$0.01506	\$0.01506
2011	June	\$0.01880	\$0.01880
2011	July	\$0.01880	\$0.01880
2011	August	\$0.01880	\$0.00000
2011	September	\$0.01880	\$0.00000
2011	October	\$0.01880	\$0.00700
2011	November	\$0.01880	\$0.00700
2011	December	\$0.01880	

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Cherryland’s PSCR billing for the 2010 calendar year:

<u>Year</u>	<u>Month</u>	Maximum Authorized 2010 PSCR <u>Factor</u> (per kWh)	Actual Factor <u>Billed</u> (per kWh)
2010	January	\$0.01506	\$0.01498
2010	February	\$0.01506	\$0.01498
2010	March	\$0.01506	\$0.01498
2010	April	\$0.01506	\$0.01498
2010	May	\$0.01506	\$0.01498
2010	June	\$0.01506	\$0.01498
2010	July	\$0.01506	\$0.01498
2010	August	\$0.01506	\$0.01498
2010	September	\$0.01506	\$0.01498
2010	October	\$0.01506	\$0.01498
2010	November	\$0.01506	\$0.01498
2010	December	\$0.01506	\$0.01498

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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.

			Maximum	2011 Billed
<u>Sheet No.</u>	<u>Schedule</u>	<u>Rate</u>	<u>\$/kWh</u>	<u>\$/kWh</u>
D-5.00	A	Farm & Home Service	\$ 0.00143	\$ 0.00060
			Maximum	Billed
<u>Sheet No.</u>	<u>Schedule</u>	<u>Rate</u>	<u>\$/meter/mo</u>	<u>\$/meter/mo</u>
D-7.00	C	General Service	\$ 1.64	\$ 1.05
D-12.00	LCI	Large Commercial & Industrial Service	\$ 247.81	\$ 158.60
D-13.00	LP	Large General Service	\$ 26.36	\$ 16.87
D-14.00	LPTOD	Large Power Time-of-Day	\$ 26.36	\$ 16.87
D-16.00	OTD	Optional Irrigation Time-of-Day	\$ 1.64	\$ 1.05
D-17.00	PSDS	Primary Service	\$ 497.36	\$ 318.31

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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 Members, 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.

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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 Members' 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 Members 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.

Sales to Cooperative

Members wishing to sell power must arrange to do so with the generation and transmission Cooperative which provides all of the Cooperative's power requirements. Rates for such sales will be subject to the G & T's tariff provisions. Members selling power to the G & T will be charged one (1) mill per kWh sold to cover the Cooperative's administrative costs.

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**DEFINITION OF TIME PERIODS  
USED IN TIME-OF-DAY RATES**

Provisions pertinent to the application of time periods used in various time-of-day rates are as follows:

- (1) Peak Period: 5:00 PM to 10:00 PM, weekdays  
excluding holidays
- (2) Intermediate Period: 7:00 AM to 5:00 PM and 5:00 PM to  
10:00 PM, weekends and holidays
- (3) Off Peak Period: 10:00 PM to 7:00 AM
- (4) Designated holidays:
  - (a) New Year's Day
  - (b) Good Friday
  - (c) Memorial Day
  - (d) Independence Day
  - (e) Labor Day
  - (f) Thanksgiving Day
  - (g) Christmas Day

The Cooperative may revise the above schedule of time period hours from time to time and a new schedule which will become effective thirty days after its issuance date and which will remain in effect until the effective date of any succeeding schedule.

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**FARM AND HOME SERVICE  
SCHEDULE A**

Availability

Available to Member-Consumer of the Cherryland Electric Cooperative for service to individual farm and 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 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: \$15.00 per month

Energy Charge: \$0.1098 per kWh

Energy Optimization:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charge

The minimum charge under the above rate shall be the Availability Charge, except in the case of apartment houses (see "Availability" above).

**FARM AND HOME SERVICE  
SCHEDULE A  
(Continued from Sheet No. D-5.00)**

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 as authorized by its Board of Directors.

Late Payment Charge

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.

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 Members 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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**SEASONAL RESIDENTIAL SERVICE  
SCHEDULE AS**

THIS RATE HAS BEEN CANCELLED

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**GENERAL SERVICE  
SCHEDULE C**

Availability

This rate is available to all Members 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 including Members with residential usage that do not qualify for Farm and Home Service (Schedule).

Type of Service

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

Monthly Rate

Availability Charge:

Single Phase                      \$17.50 per month

Three Phase                        \$34.50 per month

Energy Charge:                    \$0.10403 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

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 and Energy Optimization Charges. For Members requiring more than 15 kVA of transformer capacity, the minimum monthly charge shall be the Availability Charge plus \$0.20 per kVA for all kVA over 15 kVA of required transformer capacity.

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

Terms of Service:

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

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.

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 Members 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.

**MEMBER OWNED BACKUP GENERATION**

Cherryland Electric Cooperative, through its wholesale power supplier, has an interest in interruptible commercial load. Members taking service under retail rate LC&I or PSDS with firm on-site generating capacity of 100 kW or greater qualify. An interconnection and operating agreement is required. Please contact our office.

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**CONTROLLED HEATING SERVICE  
SCHEDULE CH**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Availability:

Available to Members of the Cooperative already taking monthly service concurrently under Rate Schedule A or C. This rate is for controlled service to space heating loads, storage domestic water heating loads and associated air conditioning loads which are controlled by the Cooperative. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered subject to service availability as follows:

Option No. 1 - Storage Heating

This option is available for electric space heating loads with sufficient heat storage capacity to withstand extended daily control of the electric supply. This option is also available to domestic storage water heaters. Domestic storage water heaters must have a minimum storage capacity of 100 gallons and a minimum heating capacity of 4,500 watts. Service under this option is available only between the hours of 10:00 PM to 7:00 AM.

Option No. 2 - Dual Fuel Heating

This option is available for electric space heating loads when used in conjunction with an alternate fuel heating system. The alternate fuel heating system must be capable of supplying the heating requirements of the Member-Consumer when the electrical supply is controlled. 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 400 hours per heating season or 8 hours per 24 hour period.

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**CONTROLLED HEATING SERVICE  
SCHEDULE CH  
(Continued from Sheet No. D-9.00)**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

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:

As set forth in Rate Schedules A and C respectively discounted @ 3.0¢ per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

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.

Michigan State Sales Tax

Michigan State Sales Tax shall be added on all bills, including minimums, 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 Members 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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**MEMBER-CONSUMER OWNED GENERATION  
SCHEDULE COG**

Availability

This rate is available only to Members with on-site combined electric generating capacity of 100 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: \$69.00 per month

Demand Charge:

Distribution Demand- maximum demand for current month or prior 11 months  
\$2.90 per kW for service at secondary voltage  
\$2.70 per kW for service at primary voltage

Plus: Demand- maximum demand for current month  
\$7.35 per KW

Energy Charge: \$0.06628 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

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

**MEMBER-CONSUMER OWNED GENERATION  
SCHEDULE COG  
(Continued from Sheet No. D-10.00)**

LPTOD Rate

Availability Charge: \$80.50 per month

Demand Charge:

Distribution Demand- maximum demand for current month or prior 11 months  
\$3.00 per kW for service at secondary voltage  
\$2.80 per kW for service at primary voltage

Plus: Peak Period Demand- peak period demand for current month  
\$13.00 per KW

PLUS: Energy Charge \$0.06524 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Determination of Billing Demand

Distribution Demand- The maximum kilowatt demand established by the Member-Consumer 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. D-4.00.

Minimum Charge

The Minimum Charge shall be the Availability, Demand and Energy Optimization Charges.

**MEMBER-CONSUMER OWNED GENERATION  
SCHEDULE COG  
(Continued from Sheet No. D-10.01)**

Parallel Generation

Service is subject to the Cooperative's Requirements for Operation of Parallel Generation Facilities as set forth on Sheet No. D-3.00-D-3.01.

Primary Service Discount

A discount of \$0.20 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 \$0.20 per kVA discount.

Power Factor

The above rate charges are predicated upon the Member-Consumer 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-Consumer'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-Consumer'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 as authorized by its Board of Directors.

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**MEMBER-CONSUMER OWNED GENERATION  
SCHEDULE COG  
(Continued from Sheet No. D-10.02)**

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 Members 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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**CONTROLLED WATER HEATER SERVICE  
SCHEDULE CWH**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Availability:

Available to Members of the Cooperative already taking monthly service concurrently under Rate Schedule A or C, who desire controlled water heating service. Energy will be metered through the regular service meter. The Member may choose from the three service options as described below. To qualify for this rate, the sole source of water heating must be electricity. The minimum period of service is for one year and requires a signed agreement with the Cooperative. Service is subject to the Cooperative's rules and regulations. This service option is not available to Members using time clocks, remote control or other devices intended to prevent the load from adding to system peak demand.

Type of Service:

Alternating current, 60 hertz, at approximately 240 volts, single phase, three-wire service will controlled by Cooperative's Load Management System.

Hours of Service:

Option No. 1: For Members choosing Option No. 1, control of service shall not exceed 3 hours per day. The control hours will be established from time to time by the Cooperative but shall be predominantly between the hours of 5 to 9 p.m. Members choosing this option must have water heaters with a tank capacity of 30 gallons or more.

Option No. 2: For Members choosing Option No. 2, control of service shall not exceed 4 hours per day. The Control hours will be established from time to time by the Cooperative but shall be predominantly between the hours of 5 to 9 p.m. Members choosing this option must have water heaters with a tank capacity of 50 gallons or more.

Option No. 3: For Members choosing Option No. 3, control of service shall not exceed 6 hours per day. The control hours will be established from time to time by the Cooperative but shall be predominantly between the hours of 4 to 10 p.m. Members choosing this option must have water heaters with a tank capacity of 80 gallons or more.

**CONTROLLED WATER HEATER SERVICE**  
**SCHEDULE CWH**  
**(Continued from Sheet No. D-11.00)**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Monthly Rate:

For all Options (regardless of tank size), a credit of \$4.50 per month will be applied to the bills of Members who use at least 350 kWh per month per water heater.

Energy will be charged the appropriate rate per kWh as specified on Sheet No. D-5.00 in conjunction with Schedule A or Sheet No. D-7.00 in conjunction with Schedule C, including applicable Power Supply Cost Recovery adjustments and taxes. The applicable credit is available on a per meter basis such that only one credit per meter will be allowed regardless of the number of water heaters registering on a single meter.

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**LARGE COMMERCIAL AND INDUSTRIAL SERVICE  
SCHEDULE LCI**

Availability:

Available for commercial and industrial Members that desire secondary service from the Cooperative where billing demand is 250 kW or more. This rate is not available to seasonal Members.

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW 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.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member 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:

Primary or secondary three phase 60 hz service. The nature and level of the service voltage shall be determined in each case by the Cooperative.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE  
SCHEDULE LCI  
(Continued from Sheet No. D-12.00)**

Monthly Rate:

Distribution Delivery Service

Availability Charge	\$160.00
Distribution Demand Charge	\$7.15 per kW
Distribution Variable Charge	\$0.00172 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Service – not applicable to Retail Access Service

The monthly power supply charge for this rate shall be the actual wholesale cost as presented on the monthly power bill from Wolverine Power Supply Cooperative.

Reactive Demand:

The Reactive Demand for the month shall be the maximum kVAR demand leading or lagging of the Member for any 60 minute period during this billing period.

Conditions for Service from this Schedule:

This service shall be available for service to any commercial or industrial Members taking service with a load which has a minimum 250 kW or more of Billing Demand. This load will be separately metered with a recording watt hour demand meter that uses electronic memory for recording data. The Member at its sole cost shall provide a dedicated phone service to metering location.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE  
SCHEDULE LCI  
(Continued from Sheet No. D-12.01)**

Terms of Payment:

A one-time late payment charge of 5% of the unpaid balance, excluding sales tax, will be assessed on any bill not paid by the due date.

Monthly Billing Demand

Distribution Delivery Component

The billing demand shall be the average kilowatts (kW) load during the 15-minute period of maximum use during the billing month. Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require.

Power Supply Component

The Monthly Power Supply Billing Demand shall be the Member's demand in kilowatts (kW) supplied during the 60 minute period when Wolverine Power Supply Cooperative, Inc. experiences its monthly system coincidental peak demand.

Minimum Monthly Billing

The minimum monthly billing charge shall include the Availability Charge, a Demand Charge of 250 kW for Distribution Delivery and 200 kW for Power Supply (not applicable to Retail Access Service), and the Energy Optimization surcharge.

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor not less than ninety (90%) percent lagging. 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 ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member's actual power factor.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE  
SCHEDULE LCI  
(Continued from Sheet No. D-12.02)**

Primary Service and Metering:

A discount of \$0.20 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 \$0.20 per kVA discount.

Michigan State Sales Tax

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

Rules and Regulations

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* 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 Members 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.

**LARGE GENERAL SERVICE  
SCHEDULE LP**

Availability

This rate is available to all Members 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 Members with combined generating unit capacities above 100 KVA.

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service at multiple metering points who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW 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.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member 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

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

**LARGE GENERAL SERVICE  
SCHEDULE LP  
(Continued from Sheet No. D-13.00)**

Monthly Rates

Availability Charge: \$69.00 per month

Distribution Service

Distribution Demand Charge \$2.34 per kW

Distribution Variable Charge \$0.00770 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Service (not applicable to Retail Access Service)

Demand Charge \$7.91 per kW

Energy Charge \$0.05892 per kWh

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00

Minimum Charge

The Minimum Charge shall be the Availability Charge, Demand Charge of 25 kW, and Energy Optimization Surcharge. 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.

Billing Demand

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

**LARGE GENERAL SERVICE  
SCHEDULE LP  
(Continued from Sheet No. D-13.01)**

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.

Terms of Payment

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 \$0.20 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 \$0.20 per kVA discount.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* where applicable.

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 Members 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.

**LARGE POWER TIME-OF-DAY SERVICE  
SCHEDULE LPTOD**

Availability

This rate is available to all Member 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 Members with combined generating unit capacities above 100 kVA.

Type of Service

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

Monthly Rate

Availability Charge:	\$80.50 per month
Demand Charge:	
Peak Period	\$13.00 per kW <u>plus</u>
Maximum	\$ 3.00 per kW
Energy Charge	\$ 0.06670 per kWh for all kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charge

The Minimum Charge shall be the Demand Charge for 25 kW plus the Availability Charge, plus the Energy Optimization Surcharge.

Determination of Billing Demand

Peak Period - The Peak Period Billing Demand shall be the maximum kilowatt demand established by the Member 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. D-4.00.

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Grawn, Michigan

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**LARGE POWER TIME-OF-DAY SERVICE  
SCHEDULE LPTOD  
(Continued from Sheet No. D-14.00)**

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

Primary Service Discount

A discount of \$0.20 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 \$0.20 per kVA discount.

Power Factor

The above rate charges are predicated upon the Member 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'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.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

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. 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 Members from being compelled to share such local tax increases or decreases.

**LARGE POWER TIME-OF-DAY SERVICE  
SCHEDULE LPTOD  
(Continued from Sheet No. D-14.01)**

- 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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## OUTDOOR LIGHTING SERVICE SCHEDULE OL

### Availability

Available to all Members of the Cooperative for outdoor protective lighting service on premises on which the Member is already taking service from the Cooperative under another rate schedule.

Also, available to municipalities, political subdivisions and others for public street lighting with the provision that such users become Members 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, 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's expense.

### Monthly Rate

Using existing pole and secondary facilities:

- \*175 watt mercury vapor lamp (7,500 Lumen) - \$13.00 per month per fixture
- 100 watt high pressure sodium lamp (8,500 Lumen) - \$10.00 per month per lamp
- \*250 watt high pressure sodium lamp (24,000 Lumen) - \$16.70 per month per lamp

Requiring new pole and one span of new secondary facilities:

- \*175 watt mercury vapor lamp (7,500 Lumen) - \$14.10 per month per fixture
- 100 watt high pressure sodium lamp (8,500 Lumen) - \$11.10 per month per lamp
- \*250 watt high pressure sodium lamp (24,000 Lumen) - \$17.80 per month per lamp

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

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

**OUTDOOR LIGHTING SERVICE  
SCHEDULE OL  
(Continued from Sheet No. D-15.00)**

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

\*\* 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 luminaries only and are not open to new business except where the Cooperative elects, at the customer's request, to install additional luminaries within an area already served by a mercury vapor unmetered lighting system. Any such election is subject to the Cooperative having the necessary materials and to the discretion of the Cooperative.

Special Terms and Conditions

Initial minimum term for each installation shall be for 48 consecutive months. The Cooperative is not required to change the type of service (from one lamp size to another) during said 48 month period. When more than one new pole and one span of new secondary facilities are required, or where the Member desires other than standard wood poles, underground wiring or other special equipment not covered herein, the Cooperative at its option may provide such facilities. The cost to provide additional facilities will be charged to the Member in advance of construction.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

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**OUTDOOR LIGHTING SERVICE  
SCHEDULE OL  
(Continued from Sheet No. D-15.01)**

Michigan State Sales Tax

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

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.

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 Members 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.

**OPTIONAL IRRIGATION TIME-OF-DAY SERVICE  
SCHEDULE OTD**

Availability

Available to all Members 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	\$34.50
Three Phase	\$69.00

Energy Charge:

Peak Period	\$0.18792 per kWh
Intermediate Period	\$0.11369 per kWh
Off-Peak Period	\$0.06801 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charges

The Minimum Monthly Charge shall be the Availability Charge. For Members requiring more than 15 kVA of transformer capacity, the Minimum Monthly Charge shall be the Availability Charge plus \$0.20 per kVA for all over 15 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 as authorized by its Board of Directors.

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**OPTIONAL IRRIGATION TIME-OF-DAY SERVICE**  
**SCHEDULE OTD**  
**(Continued from Sheet No. D-16.00)**

Meter Reading

The Member will be required to read the meter monthly during pumping seasons.

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.

Michigan State Sales Tax

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

Time Periods

The time periods applicable to the rate are set forth on 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 Members 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.

**PRIMARY SERVICE RATE  
SCHEDULE PSDS**

Availability

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

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW 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.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

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.

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**PRIMARY SERVICE RATE  
SCHEDULE PSDS  
(Continued from Sheet No. D-17.00)**

All rates assume service directly from a distribution substation. For Members served from an existing three-phase primary line, add \$1.10 per kW; or for Members served from a new three-phase primary line, add \$2.20 per kW.

Rate

Distribution Service

Availability Charge: \$160.00 per month

Firm Service Demand Charge \$3.60 per kW

Distribution Variable Charge \$0.001557 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Service (not applicable to Retail Access Service)

The monthly power supply charge for this rate shall be the actual wholesale cost as presented on the monthly power bill from Wolverine Power Supply Cooperative.

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.

Minimum Charge

The minimum monthly billing charge shall include the Availability Charge, a Demand Charge of 500 kW for Distribution Delivery and 200 kW for Power Supply (not applicable to Retail Access Service), and the Energy Optimization surcharge.

**PRIMARY SERVICE RATE  
SCHEDULE PSDS  
(Continued from Sheet No. D-17.01)**

Billing Demand

Distribution Delivery Component

The billing demand shall be the average kilowatts (kW) load during the 15-minute period of maximum use during the billing month. Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require.

Power Supply Component – For Non-Retail Access Members.

The Monthly Power Supply Billing Demand shall be the Member's demand in kilowatts (kW) supplied during the 60 minute period when Wolverine Power Supply Cooperative, Inc. experiences its monthly system coincidental peak demand.

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor not less than ninety (90%) percent lagging. 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 ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member's actual power factor.

Contracts

A contract may be required for Members under this rate. The Cooperative reserves the right to require service contracts covering terms and nature of service in cases where special services are required, or where investment by the Cooperative is in excess of that provided for without contribution toward construction by the Member in the Cooperative's Standard Rules and Regulations.

Terms of Payment

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.

Michigan State Sales Tax

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

**PRIMARY SERVICE RATE  
SCHEDULE PSDS  
(Continued from Sheet No. D-17.02)**

Rules and Regulations

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* where applicable.

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 Members 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.

**PARTIAL CONTROLLED HEATING SERVICES  
SCHEDULE PCH**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Availability

Available to Members taking monthly service concurrently under Rate Schedules A or C. 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'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 C, whichever is applicable, including the power supply cost recovery provision, discounted @ 1.5¢ per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

**PARTIAL CONTROLLED HEATING SERVICES  
SCHEDULE PCH  
(Continued from Sheet No. D-18.00)**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

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 Members from being compelled to share such local increases.
- 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

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

Rules And Regulations

Service is governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

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

Availability

This rate is available only to Members 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's own electricity. If a Member 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 Members with a system capable of generating 20 kilowatts or less.
- b) No more than 0.25% for Members with a system capable of generating more than 20 kilowatts but not more than 150 kilowatts.
- c) No more than 0.25% for Members with a system capable of generating more than 150 kilowatts, but not more than 550 kW.

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

Member Eligibility

To be eligible to participate in the Net Metering Program, Members 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 Members taking service under one of the Cooperative's standard electric rates.

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

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**NET METERING PROGRAM  
GENERATORS WITH A CAPACITY OF 20 KW AND LESS  
(Continued from Sheet No. D-19.00)**

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

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

- a) The Member'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's past annual energy usage is available, or where the Member is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member shall mutually agree on a method to determine the Member'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 Members upon request. Members 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 that is enrolled in the Net Metering Program will continue to take electric service under the Cooperative's applicable service tariff.

**NET METERING PROGRAM  
GENERATORS WITH A CAPACITY OF 20 KW AND LESS  
(Continued from Sheet No. D-19.01)**

Metering

The Member'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's existing meter is not capable of reverse registration, the incremental cost above that for meters provided for similarly situated non-generating Members shall be paid by the Member.

Monthly Charges

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

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 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 following a final reading by the Cooperative of the Member's net meter.

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## **Efficient Home Heating Schedule EH**

### Availability:

Rate Schedule EH is for whole house heating loads where electricity is the primary source of heat energy through a high efficiency heat pump or geothermal system with an Efficiency Factor rating of 2.0 or greater. When the heating qualification is satisfied, air conditioning loads and heat pump based domestic storage water heater loads (with Efficiency Factor ratings of 2.0 or greater) will be permitted on this rate. Participating members must qualify for Rate Schedule A and concurrently take service under that rate. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

### Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered.

### Monthly Rate

#### Energy Charge (Efficient Heating):

- First 1,800 kWh                      As set forth in Schedule A discounted @ 1.5¢ per kWh
- Over 1,800 kWh                      As set forth in Schedule A

#### Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

#### Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause shown on Sheet No. D-1.00

### Excess Capacity Charge

For Members requiring transformer capacity in excess of 25 kVA as determined by the Cooperative, a minimum monthly charge of \$0.20 per kilovolt-ampere (kVA) for all kVA over 25 kVA of required transformer capacity shall apply.



**Efficient Home Heating  
Schedule EH**  
(Continued from Sheet No. D-20.00)

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 for service.

Michigan State Sales Tax

Michigan State Sales Tax shall be added on all bills, including minimums, 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 Members 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.

Late Payment Charge

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.

## **Resistance Home Heating Schedule RH**

### Availability:

Rate Schedule RH is for whole house heating loads where resistance (resistive) electric heat is the primary source of heat energy. Air conditioning load is not allowed on this rate. Participating members must qualify for Rate Schedule A and concurrently take service under that rate. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

### Type of Service:

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered.

### Monthly Rate

#### Energy Charge (Efficient Heating):

- First 2,500 kWh                      As set forth in Schedule A discounted @ 0.5¢ per kWh
- Over 2,500 kWh                      As set forth in Schedule A

#### Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

#### Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause as set forth on Sheet No. D-1.00

### 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 for service.

### Michigan State Sales Tax

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

**Resistance Home Heating**  
**Schedule RH**  
**(Continued from Sheet No. D-21.00)**

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 Members 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.

Late Payment Charge

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.