



Approval to Amend Tariff and Business Rules – Industrial Power Service

Natalia Mack | Rates Manager

David L. Thompson | VP of Markets

Industrial Power Rate Changes

BACKGROUND

- The Industrial Rate was created to serve a specific unique member prior to 1999.
- The service configuration and infrastructure was customized to their needs, thus the cost to serve differs greatly from all other Member classes.
- The Industrial Power Rate was last amended in September 2014.

RECOMMENDATION

The 2020 Cost of Service Study shows that the cost to serve has decreased due to the age of the infrastructure and its depreciation as well as efficiencies with maintenance programs at the member location. Additionally, this rate will be closed to other members, as it will not recover adequately.

Industrial Power Rate Changes

REASON

The 2020 Cost of Service Study shows that the cost to serve has decreased due to the age of the infrastructure and its depreciation as well as efficiencies with maintenance programs at the member location.

PROPOSED RATE CHANGES

1. Lower the Capacity Demand Charge from \$0.840000 per kW to \$0.580000 per kW of power consumed.
2. Make the Industrial Power rate “closed” or unavailable to other Members.

IMPACT

The Member will see a bill decrease.

Industrial Power Rate Changes

RATE SCHEDULE

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 1,000.00	meter
Capacity Demand Charge:	\$ 0.580000	kW
Base Power Charge:	Direct Pass Through	kWh
Transmission Cost of Service Charge:	Direct Pass Through	kW

- **Service Availability Charge** – no change
- **Capacity Demand Charge** – the Capacity Demand charge will decrease from \$0.840000 to \$0.580000 per kW
- **Base Power Charge** – no change
- **Transmission Cost of Service Charge** – no change

Industrial Power Rate Changes

IMPLEMENTATION

The Commercial and Industrial Accounts Team will communicate rate change to the Member.

- Board approval – February 19, 2021
- Effective date – March 1, 2021

TARIFF AMENDMENTS

- Industrial Power, Section 500.2.2.3 – effective March 1, 2021

FUTURE CHANGES

As part of the Rate Policy cycle adopted by the Board, the cost to serve will be re-evaluated during the next cost of service study to ensure the rate is adequately recovering the cost to serve.



pec.coop