

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

**PUBLIC NOTICE OF CAPACITY CHARGE  
FOR UTILITY SERVICE TERRITORY OF  
CLOVERLAND ELECTRIC COOPERATIVE**

**CASE NO. U-18258**

On November 30, 2017, the Michigan Public Service Commission (Commission) issued an order in Case No. U-18258 and determined the state reliability mechanism capacity charge for the service territory of Cloverland Electric Cooperative. Pursuant to Section 6w(3) of 2016 PA 341, MCL 460.6w(3), the Commission provides this notice to the public of the state reliability mechanism capacity charge as determined for the service territory of Cloverland Electric Cooperative, as follows:

Beginning June 1, 2018, Cloverland Electric Cooperative shall implement a state reliability mechanism capacity charge of \$228,891 per megawatt-year, or \$627 per megawatt-day, for full service customers, using the Commission Staff's rate design, as illustrated in Attachments A and B to this notice.

If an alternative electric supplier operating in Cloverland Electric Cooperative's service territory fails to make a satisfactory demonstration regarding its forward capacity obligations pursuant to MCL 460.6w(8), the resulting state reliability mechanism capacity charge (as described above) shall be levied by Cloverland Electric Cooperative on the retail open access customers (or choice customers) of that alternative electric supplier on a pro rata basis.

A copy of Commission's order issued on November 30, 2017, in Case No. U-18258, may be reviewed on the Commission's website at: [michigan.gov/mpscedockets](http://michigan.gov/mpscedockets).

MICHIGAN PUBLIC SERVICE COMMISSION

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Kavita Kale  
Its Executive Secretary

Dated: November 30, 2017

Cloverland Electric Cooperative  
Capacity Charge Rates

| Customer Class                                   | Net Plant    | Return     | O&M        | Purchased Power | Labor      | Depreciation | Property Taxes | TOTAL CAPACITY<br>REVENUE<br>REQUIREMENT | Determinant Type     | Determinants | Capacity<br>Charge |
|--------------------------------------------------|--------------|------------|------------|-----------------|------------|--------------|----------------|------------------------------------------|----------------------|--------------|--------------------|
| CEC Farm and Home Service                        | \$ 1,848,168 | \$ 1,816   | \$ 497,867 | \$ 2,970,329    | \$ 127,348 | \$ 64,401    | \$ 36,412      | \$ 3,698,172                             | Annual kWh           | 93,850,736   | \$0.03914          |
| Edison Sault Residential Service                 | \$ 3,185,458 | \$ 3,266   | \$ 858,111 | \$ 5,119,587    | \$ 219,494 | \$ 111,000   | \$ 62,759      | \$ 6,374,217                             | Annual kWh           | 161,901,655  | \$0.03914          |
| CEC Seasonal Residential Service                 | \$ 264,142   | \$ 3,496   | \$ 71,155  | \$ 424,521      | \$ 18,201  | \$ 9,204     | \$ 5,204       | \$ 531,782                               | Annual kWh           | 15,161,113   | \$0.03914          |
| Edison Sault General Service                     | \$ 2,118,983 | \$ 107,478 | \$ 570,820 | \$ 3,405,575    | \$ 146,008 | \$ 73,837    | \$ 41,748      | \$ 4,345,467                             | Annual kWh           | 115,598,669  | \$0.03756          |
| CEC General Service                              | \$ 551,320   | \$ 29,627  | \$ 148,517 | \$ 886,067      | \$ 37,989  | \$ 19,211    | \$ 10,862      | \$ 1,132,272                             | Annual kWh           | 31,264,325   | \$0.03756          |
| CEC Seasonal General Service                     | \$ 22,242    | \$ 1,593   | \$ 5,992   | \$ 35,747       | \$ 1,533   | \$ 775       | \$ 438         | \$ 46,078                                | Annual kWh           | 1,281,459    | \$0.03756          |
| Edison Sault Heating and Air Service             | \$ 161,482   | \$ 15,673  | \$ 43,501  | \$ 258,467      | \$ 11,127  | \$ 5,627     | \$ 3,181       | \$ 337,576                               | Annual kWh           | 7,928,202    | \$0.03756          |
| Commercial Heating and Air Conditioning          | \$ 4,503     | \$ 725     | \$ 1,213   | \$ 7,237        | \$ 310     | \$ 157       | \$ 89          | \$ 9,731                                 | Annual kWh           | 252,745      | \$0.03756          |
| Edison Sault Large Power Service                 | \$ 1,805,803 | \$ 209,503 | \$ 486,454 | \$ 2,902,240    | \$ 124,429 | \$ 62,924    | \$ 35,577      | \$ 3,821,128                             | Annual Billed Demand | 234,438      | \$16.02636         |
| Lake Superior State University                   | \$ 248,342   | \$ (2,461) | \$ 66,899  | \$ 380,778      | \$ 17,112  | \$ 8,654     | \$ 4,893       | \$ 475,874                               | Annual Billed Demand | 29,396       | \$16.02636         |
| Large Power Service                              | \$ 343,399   | \$ 33,206  | \$ 92,506  | \$ 551,901      | \$ 23,662  | \$ 11,966    | \$ 6,766       | \$ 720,007                               | Annual Billed Demand | 49,213       | \$16.02636         |
| Louisiana Pacific Corporation                    | \$ 288,345   | \$ 21,110  | \$ 77,676  | \$ 463,421      | \$ 19,868  | \$ 10,048    | \$ 5,681       | \$ 597,804                               | Annual Billed Demand | 34,724       | \$17.21586         |
| Large Power - Mining Operation                   | \$ 207,819   | \$ 5,501   | \$ 55,983  | \$ 334,001      | \$ 14,320  | \$ 7,242     | \$ 4,094       | \$ 421,141                               | Annual Billed Demand | 37,274       | \$11.29851         |
| Primary Substation Distribution Service          | \$ 55,684    | \$ 29,591  | \$ 15,000  | \$ 85,379       | \$ 3,837   | \$ 1,940     | \$ 1,097       | \$ 136,845                               | Annual Billed Demand | 5,972        | \$22.91445         |
| Edison Sault - Western Lime Corporation          | \$ 126,009   | \$ 75,318  | \$ 33,945  | \$ 190,380      | \$ 8,683   | \$ 4,391     | \$ 2,483       | \$ 315,198                               | Annual Billed kVa    | 18,357       | \$17.17046         |
| Edison Sault - Carmeuse Cedarville & Port Inland | \$ 519,552   | \$ 320,845 | \$ 139,959 | \$ 784,959      | \$ 35,800  | \$ 18,104    | \$ 10,236      | \$ 1,309,903                             | Annual Billed kVa    | 84,615       | \$15.48074         |
| Edison Sault - Enbridge Energy                   | \$ 763,751   | \$ 149,911 | \$ 205,742 | \$ 1,171,043    | \$ 52,626  | \$ 26,613    | \$ 15,047      | \$ 1,620,984                             | Annual Billed kVa    | 96,918       | \$16.72531         |
| Edison Sault - UP Paper                          | \$ 182,939   | \$ 84,948  | \$ 49,281  | \$ 24,027       | \$ 12,605  | \$ 6,375     | \$ 3,604       | \$ 180,840                               | Annual Billed kVa    | 30,482       | \$5.93269          |
| Edison Sault - Street Lighting Service           | \$ 37,543    | \$ 4,478   | \$ 10,113  | \$ 60,337       | \$ 2,587   | \$ 1,308     | \$ 740         | \$ 79,563                                | Annual kWh           | 2,487,571    | \$0.03198          |
| Outdoor Protective Lighting                      | \$ 15,732    | \$ (1,012) | \$ 4,238   | \$ 25,283       | \$ 1,084   | \$ 548       | \$ 310         | \$ 30,451                                | Annual kWh           | 1,044,090    | \$0.02917          |
| Edison Sault - Outdoor Lighting Service          | \$ 18,114    | \$ (608)   | \$ 4,880   | \$ 29,112       | \$ 1,248   | \$ 631       | \$ 357         | \$ 35,620                                | Annual kWh           | 1,196,292    | \$0.02978          |

|                                     |                  |
|-------------------------------------|------------------|
| Total Capacity Revenue Requirement: | \$ 26,699,714    |
| 1 CP (Loss Adjusted):               | 117 MW           |
| Capacity Charge:                    | \$ 228,891 MW/Yr |
|                                     | \$ 627 MW/Day    |