



Rate Book for Electric Service: Rules and Regulations (Part 1 of 2)

These standard rules and regulations have been adopted by the Cooperative to govern its relations with Members and have been approved and issued under the authority of Cloverland Electric Cooperative's Board of Directors. This document is available on Cloverland Electric Cooperative's website—cloverland.com. A copy is also available at each of the Cooperative's offices. This document applies to the entire territory served with electricity by Cloverland Electric Cooperative.

Rate schedules (tariffs) are a supplement to these rules and regulations and can be found in **Cloverland Electric Cooperative's Rate Book for Electric Service—Rate Schedules & Tariffs (Part 2 of 2)**.

This rate book supersedes and cancels prior rate books—No. 5 of Cloverland Electric Cooperative, pages A-1.00 to C-31.00, C-32.00 to C-36.00, C-37.00 to C-41.00, D-2.00 and No. 9 of Edison Sault Electric Company, pages A-1.00 to C-31.00, C-32.00 to C-35.00, C-36.00 to C-40.00, D-26.00, and D-34.00.

Mission Statement

Cloverland Electric Cooperative is a not-for-profit, member-owned utility focused on delivering exceptional services through the generation and safe delivery of reliable and affordable energy solutions that encourage growth, foster innovation, and strengthen the communities we serve.

Vision Statement

Cloverland Electric Cooperative, through local control, will improve the quality of life for its members by proactively managing their unique energy needs.

Seven Cooperative Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community

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Section 1.1: Introduction, Service Area, and Membership Districts

Introduction

These standard rules and regulations establish the terms and conditions under which electric service will be provided by the Cooperative and apply to all classes of service. These rules and regulations are intended to promote safe and adequate service to Members and to provide standards for uniform and reasonable practices. If the Cooperative fails to enforce any of the terms of these rules and regulations, it is not deemed as a waiver of its right to do so.

The Cooperative shall also reserve the right to enter into special contracts.

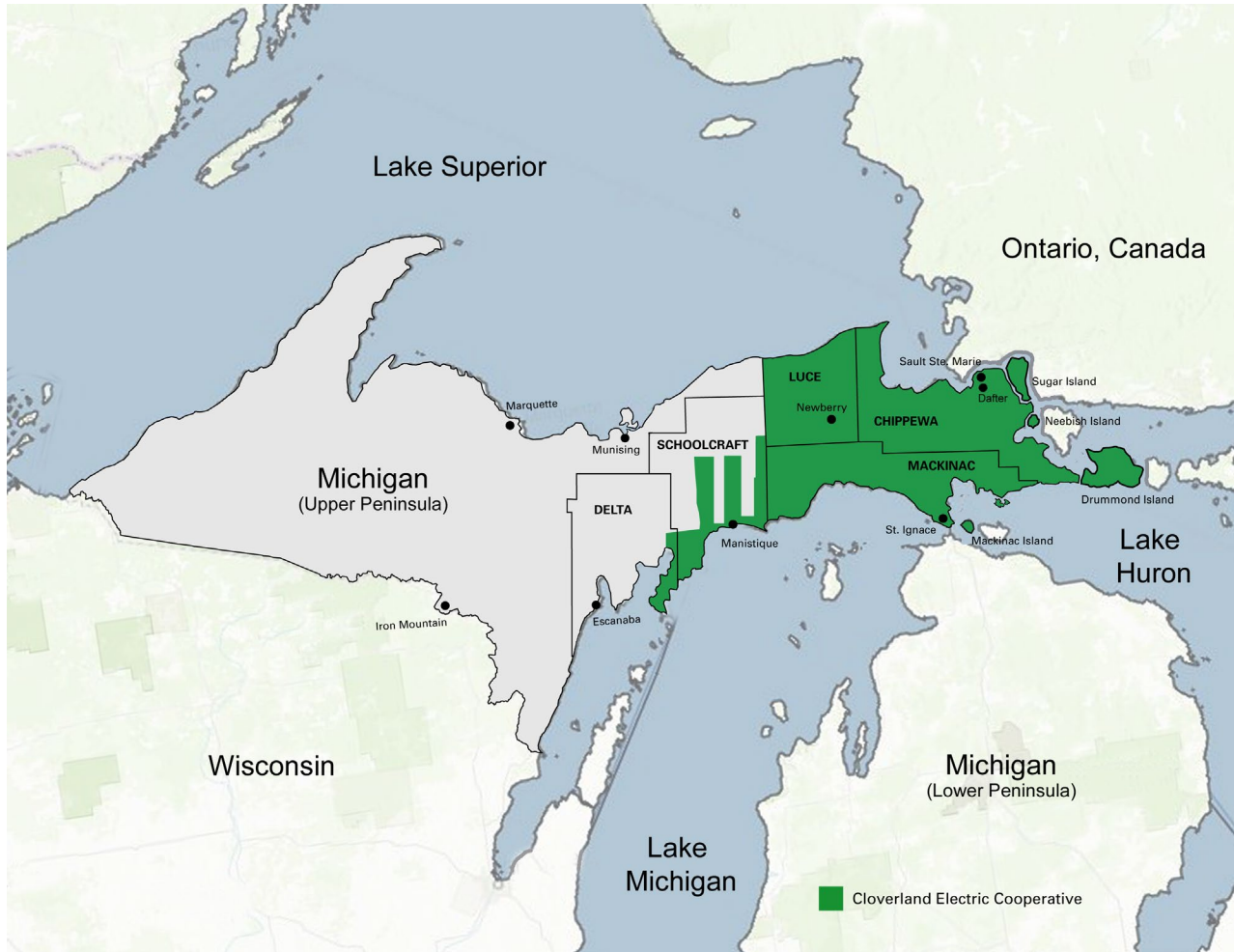
Any promises or agreements made by authorized agents or employees of the Cooperative which are not in conformance with these rules and regulations, nor with the terms of special contracts executed by authorized representatives of the Cooperative will not have binding effect on the Cooperative.

No ownership rights in any facilities provided by the Cooperative shall pass to any person as a result of any contributions or deposit made under these rules. No deposits or contributions made by Members shall be refundable unless expressly provided in these rules.

The Cooperative's standard rules and regulations, as approved by the Cooperative's Board of Directors, are open to public inspection at the Cooperative's offices, posted on the Cooperative's website—cloverland.com, and available upon request.

Service Area

Cloverland Electric Cooperative is a Member-owned, not-for-profit electric utility located in Michigan’s Eastern Upper Peninsula. With 41,000 miles of powerlines and approximately 43,000 meters, Cloverland serves more than 34,000 residential, commercial, and industrial Members in Chippewa, Mackinac, Luce, Schoolcraft, and Delta counties.



Membership Districts

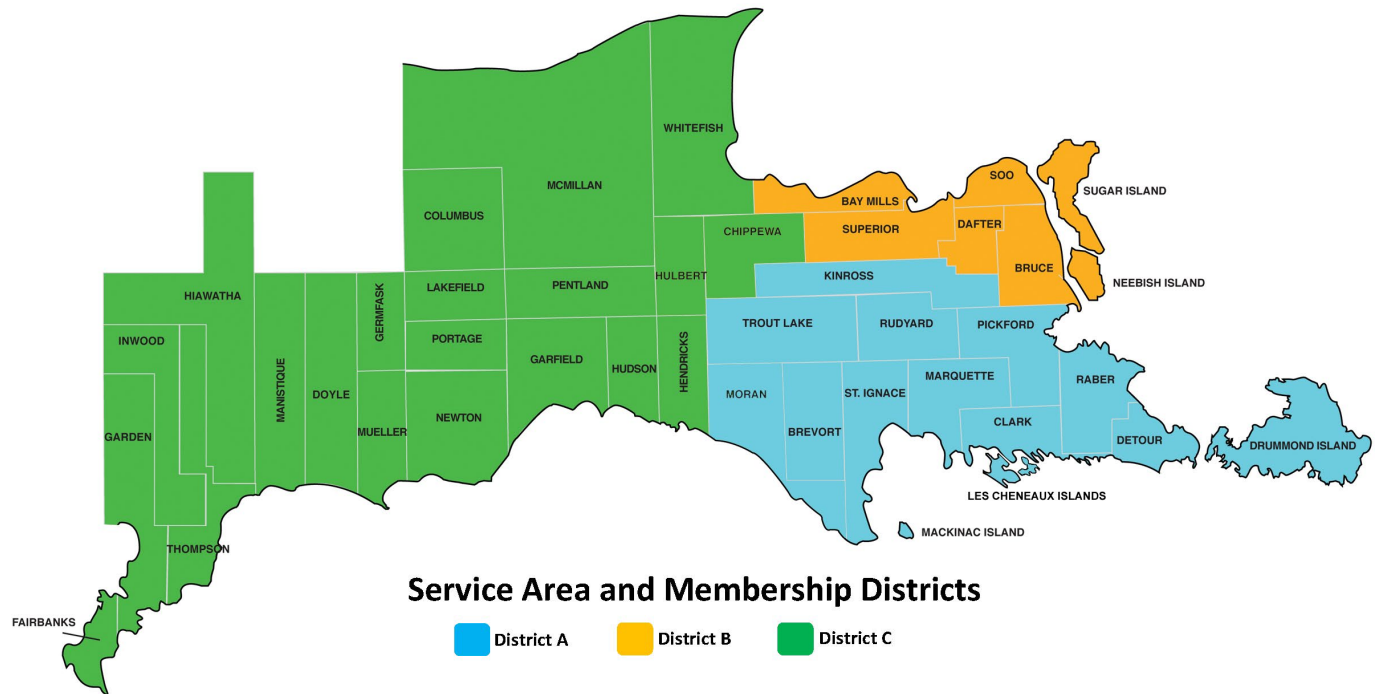
Cloverland was established in 1938 and is a member-regulated electric cooperative governed by a board of directors democratically elected by and from the membership. In a cooperative, electric consumers are also the owners and often referred to as Members or Member-Owners.

Members are encouraged to take an active role in the Cooperative by either serving on the Cooperative’s Board of Directors or communicating with their elected representatives. The directors’ names and contact information are published on Cloverland.com and in the Cooperative’s member magazine, *Cloverland Connections*. Monthly board meetings are also open to all Members.

The Board of Directors provides leadership and governance. The Cooperative’s seven principles, along with the Cooperative’s mission and vision statements, help guide the board as they make important decisions at each monthly meeting, and strategically plan for the future.

The Cooperative’s Board of Directors is comprised of nine persons elected to a three-year term by the Members of their respective districts. One seat in each district is up for election each year.

The Cooperative is divided by townships into three membership districts—A (Blue), B (Gold), and C (Green). The cities and townships in each district are shown and listed below. Each voting district has approximately the same number of memberships.



District A: Brevort, Clark, Drummond Island, Kinross, Mackinac Island, Marquette, Moran, Pickford, Raber, Rudyard, St. Ignace, Trout Lake townships and City of St. Ignace

District B: Bay Mills, Bruce, Dafter, Neebish Island, Soo, Sugar Island, Superior townships, and City of Sault Ste. Marie

District C: Chippewa, Columbus, Doyle, Fairbanks, Garden, Garfield, Germfask, Hendricks, Hiawatha, Hudson, Hulbert, Inwood, Lakefield, Manistique, McMillan, Mueller, Newton, Pentland, Portage, Thompson, Whitefish townships and City of Manistique

Section 1.2: Counties, Townships, Cities, and Communities Served

County	City	Community	Township		
Chippewa	Sault Sainte Marie	Brimley	Bay Mills		
		Barbeau	Bruce		
		Bay Mills	Chippewa		
		Dafter	Dafter		
		De Tour	DeTour		
		Drummond Island	Drummond Island		
		Eckerman	Hulbert		
		Goetzville	Kinross		
		Hulbert	Pickford		
		Kinross	Raber		
		Kincheloe	Soo		
		Neebish Island	Sugar Island		
		Paradise	Superior		
		Pickford	Rudyard		
		Raber	Trout Lake		
		Raco	Whitefish		
		Mackinac	St. Ignace Mackinac Island	Brevort	Brevort
				Cedarville	Clark
Curtis	Garfield				
Engadine	Hendricks				
Epoufette	Hudson				
Garnet	Marquette				
Gould City	Moran				
Hessel	Newton				
Moran	Portage				
Naubinway	St. Ignace				
Rexton					
Les Cheneaux Islands					
Luce		Newberry	Columbus		
		McMillan	Lakefield		
			McMillan		
			Pentland		
Schoolcraft	Manistique	Cooks	Doyle		
		Germfask	Germfask		
		Gulliver	Hiawatha		
			Inwood		
			Manistique		
		Mueller			
		Thompson			
Delta		Garden	Fairbanks		
			Garden		

Section 1.3: Terms and Conditions of Service

Membership Fee

The Cooperative requires a payment of a non-refundable membership fee as listed in the Supplemental Service Fees—Section 1.5. All Members shall be subject to compliance with the terms of the standard rules and regulations as approved by the Cooperative’s Board of Directors with or without payment of a membership fee or signed membership/service application if required by the Cooperative.

Electrical Service and Cooperative Owned Facilities

The Cooperative will own, operate, and maintain all distribution facilities on the supply side of the point of attachment as shown on the Cooperative's Standard Drawings, including metering equipment. The Cooperative provides options (when conditions permit) for the installation of under-ground facilities. All service entrance conductor wiring from a point of connection to the meter point at a location satisfactory to the Cooperative is the responsibility of the Member. If building modifications hinder access to metering facilities, create a hazardous condition, or cause a violation of code, the Member will be responsible for all costs incurred by the Cooperative to correct these conditions.

Ownership and Responsibility

Access to Premises: The Member shall provide at no expense to the Cooperative, suitable space with provisions for installation and maintenance of the Cooperative's facilities on the Member's premises. Authorized agents of the Cooperative shall have access to the premises at all reasonable times for construction, operation, maintenance, removal, or inspection of the Cooperative's facilities, or to inspect the Member's facilities or measure the Member's load. Employees of the Cooperative and its authorized agents shall carry identification furnished by the Cooperative and shall display it upon request. Failure to provide access for any of the above reasons may result in denial or shutoff of electric service.

Use of Cooperative Facilities: The Cooperative will not allow use of its poles or other facilities by others for installations or attachments of any kind without a license agreement from the Cooperative. This includes, but is not limited to, electrical or communication equipment, lights, signs, and fences. The Cooperative assumes no liability for property owned by others attached to its facilities. Unauthorized attachments to Cooperative facilities may be removed by the Cooperative.

Protection of Cooperative Facilities: The Member shall use reasonable diligence to protect the Cooperative's facilities located on the Member's premises, and to prevent tampering or interference with such facilities. The Cooperative may shut off service if the meter or wiring on the Member's premises has been tampered with or altered in any manner to allow unmetered or improperly metered energy to be used. In the case of such unauthorized use of service, the Cooperative will continue service only after the Member has agreed to pay for the unmetered energy used, meter tampering penalty, pay all costs of discovery and investigation including rewards for discovery, and make provisions and pay charges for an outdoor meter installation or other metering charges as may be required by the Cooperative. Failure to enter into such an agreement or failure to comply with the terms of such an agreement shall be cause to shut off service. Restoration of service will be made upon receipt of reasonable assurance of the Member's compliance with the Cooperative's approved standard rules and regulations for electric service. See Member Standards and Billing Practices—Section 1.4: Meter Tampering and Unauthorized Use for more details.

Member Owned Facilities: The Cooperative reserves the right to deny or perform a service shutoff to the Member whose wiring or equipment shall constitute a hazard to the Cooperative's equipment or its service to others. However, it disclaims any responsibility to inspect the Member's wiring, equipment, or any subsequent wiring changes or modifications and shall not be held liable for any injuries, damages, losses, or billing errors resulting from the condition.

The Member shall be responsible for inadequate performance of such facilities. Before purchasing equipment or installing wiring, it shall be the Member's responsibility to check with the Cooperative as to the characteristics of the service available. Any changes required to bring a Member's service into compliance with code will be paid for by the Member. The Cooperative reserves the right to make reasonable service charges for work performed by Cooperative personnel resulting from the malfunction of the Member's facilities.

The Member shall be responsible for notifying the Cooperative of any additions or changes in the Member's equipment which might exceed the capacity of the Cooperative's facilities, or otherwise affect the quality of service.

The Member shall be responsible for the installation of auxiliary or standby equipment, alarms, and protective devices as required to provide reasonable protection in the event of disturbance or interruption of electrical service.

The Member shall install and maintain necessary devices to protect the Member's equipment against service interruptions and other disturbances on the Cooperative's system, as well as the necessary devices to protect the Cooperative's facilities against overload caused by the Member's equipment.

Use of Service

Each Member shall, as soon as electrical service becomes available, purchase from the Cooperative practically all electric energy used on the premises and shall become liable for all charges incurred in the purchase of electrical energy from the Cooperative. This rule may exclude net metering, standby and/or supplemental on-site generation which may be utilized by the Member but is subject to inspection by the Cooperative to ensure the service is properly connected to prevent parallel operations with the Cooperative's system.

Notice of Intent

Prior to use of electric service, each Member shall make proper application to the Cooperative and furnish all reasonable information required by the Cooperative. Failure to comply with this requirement may result in refusal by the Cooperative to provide service.

Any Member using service, without first notifying and enabling the Cooperative to establish a beginning meter reading, may be held responsible for any amounts due for service supplied to the premises from the time of the last reading reported immediately preceding the Member's occupancy.

Any Member desiring termination or connection of service shall notify the Cooperative a minimum of five (5) working days in advance to arrange a mutually agreeable date. Members failing to give proper notice of intent to vacate the premises may be held responsible for use of service until a meter reading acceptable to the Cooperative is obtained.

Conditions of Use

The Member shall not use the service in any way that causes a safety hazard, endangers the Cooperative's facilities, or disturbs service to other Members. Failure to comply with this provision may result in shutoff of the Member's service.

Members shall only install motors, appliances, or other apparatus that are suitable for operation within the character of the service supplied by the Cooperative. Furthermore, electric energy must not be used in such a manner that causes voltage fluctuations or disturbances in the Cooperative's distribution system. Members may be responsible for the costs of system improvements or mitigation measures to correct for Member installed equipment proved to be beyond the rating for the current electric service.

Nonstandard Service Requirements

Members shall be responsible for the cost, acquisition, and installation of any special equipment necessary to meet requirements for service at non-standard voltages or for the supply of closer voltage regulation than required by standard practice.

The usual supply of electric service shall be subject to the provision of governing regulatory rules, but where special service-supply conditions or problems arise for which a provision is not otherwise made, the Cooperative may modify or adapt its supply terms to meet the peculiar requirements in such instances. The Cooperative reserves the right to make special contractual arrangements as to the provision of necessary service facilities, duration of contract, minimum bills; or other service conditions with respect to Members whose establishments are remote from the Cooperative's existing suitable facilities, or whose service requirements exceeds the capabilities of the Cooperative system in the area, or otherwise necessitate unusual investments by the Cooperative in service facilities or where the permanence of the service is questionable.

Proper Identification

All employees of the Cooperative carry Cooperative-issued photo identification cards confirming employment with the Cooperative and shall present the identification card to the Member upon request when accessing the meter, right-of-way, or other Cooperative-owned facilities that are on or near the Member's property when such access is necessary to conduct Cooperative business.

Resale of Electric Energy

Members shall not resell to, or share with others, any electric service furnished by the Cooperative under the terms of its approved rate schedules not applicable to such resale of energy, unless otherwise authorized by the Cooperative.

Service to Single Metering Points

The Cooperative will be under no obligation to furnish or maintain meters or other facilities for the resale of electric service by the reselling Member to the ultimate user.

Electric service will no longer be granted where connection is made to a single metering point for the purpose of resale by the Member reselling to the ultimate user (e.g., tenant). Each user will be metered as an individual unit.

For the purposes of this rule, resale is when a Member bills for electric service to another user separate from rent.

Point of Attachment

Where suitable service is available, the Cooperative will install service connections from its distribution lines to a suitable point of attachment on the Member's premises designated by the Cooperative. Where the Member requests a point of attachment other than that specified by the Cooperative, and such alternative point of attachment is approved by the Cooperative, the cost of installing additional intermediate supports, wires, or fixtures necessary to reach the point of attachment requested by the Member, shall be borne by the Member.

Should it become necessary for any cause beyond the Cooperative's control to change the location of the point of attachment of service connections, the entire cost of any changes in the Member's wiring made necessary shall be borne by the Member.

A service connection will not be made unless the Member has installed the Member's service entrance facilities in compliance with NEC/NESC code requirements and specifications set forth by the Cooperative, including inspections by the authority having jurisdiction.

The Member may be required to provide, at no expense to the Cooperative, space for Cooperative facilities on the Member premises.

For overhead service, the location of the point of attachment must be such that the Cooperative's service conductors can be installed without attachment to the building in any other locations.

For underground service, the point of attachment may be on the building, meter pedestal, or other agreed point.

Nature and Quality of Service

The Cooperative will endeavor to but does not guarantee to furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits.

The Cooperative shall not be liable for interruptions in the service, phase failure or reversal, or variations in the service characteristics, or for any loss or damage of any kind or character occasioned thereby, due to causes or conditions beyond the Cooperative's control, and such causes or conditions shall be deemed to specifically include, but not limited to, the following: acts or omissions of Members or third parties; operation of safety devices (except when such operation is caused by the negligence of the Cooperative), absence of an alternate supply of service; failure, malfunction, breakage, necessary repairs or inspection of machinery, facilities or equipment when the Cooperative has carried on a program of maintenance consistent with the general practices prevailing in the industry; act of God, war; storm or flood; fire; riot; labor dispute or disturbances; or the exercise of authority or regulation by governmental or military authorities.

The Member shall be responsible for giving immediate notice to the Cooperative of interruptions or variations in electric service so that appropriate corrective action can be taken.

The Cooperative reserves the right to temporarily interrupt service for construction, repairs, emergency operations, shortages in power supply, safety, and State or National emergencies and shall be under no liability with respect to any such interruption, curtailment, or suspension.

Metering and Metering Equipment

The Member shall provide, free of expense to the Cooperative, and close to the point of service entrance, a space suitable to the Cooperative for the installation of the necessary equipment. The Member shall permit only employees of the Cooperative or its authorized agents to inspect, test, or remove Cooperative-owned equipment.

If the meters or metering equipment are damaged or destroyed through the neglect of the Member, the cost of necessary repairs or replacements shall be paid by the Member.

The Cooperative reserves the right to make the final decision with respect to methods and equipment used in measurement of loads for billing purposes.

Routine Tests: The Cooperative will, through test procedures established by the Michigan Public Services Commission, endeavor to maintain its metering equipment within the accuracy limits prescribed by the Commission.

Meter Tests and Readings Requested by Member: All meter *reading* inquiries shall be investigated by the Cooperative. Upon review, it may be determined that a field inspection of the meter is necessary. Meters requiring a field inspection, initiated by the Cooperative shall be at no cost to the Member. If at the member's discretion, a field meter inspection or manual reading is requested, a fee will apply as listed in the Supplemental Service Fees—Section 1.5. This fee may be waived if the meter inspection, reading, or testing reveals the meter was inaccurate.

Individual meter *tests* requested by the Member, shall be subject to a *Meter Test Fee* as listed in the Supplemental Service Charges—Section V. If such test reveals meter registration of more than 102 percent (102%) of that of the test equipment, the charge will be refunded, and a billing adjustment made. If meter accuracy is found to be within the plus or minus two percent (2%) accuracy range, the charge will not be refunded, and a billing adjustment will not be required. When it appears that there may be sufficient reason to question meter accuracy (for example, a marked increase in metered consumption without a corresponding change in a Member's living or working patterns, or in the number and kind of appliances or equipment in use on the Member's premises), the Cooperative may waive the *Meter Test Fee* or it may install a second temporary meter, at no charge to the Member to provide check readings. If a Member requests more than one meter test (or manual reading) within a six (6) month period, the Cooperative reserves the right to refuse such a request.

The testing of all metering equipment will be done by qualified personnel; either employees of the Cooperative or by its authorized agents meeting the requirements of the Cooperative. The Cooperative may, at its option, either conduct field tests on the Member's premises or remove metering equipment for shop testing.

Meter Malfunctions: See Member Standards and Billing Practices—Section 1.4 for details related to meter errors or malfunctions and how the Cooperative will bill for usage when a meter error occurs.

Location of Meters: All meters shall typically be installed outdoors in a location readily accessible for reading and testing, unless otherwise permitted by the Cooperative.

In cases of multiple buildings such as two-family flats or apartment buildings, meters located within the premises served or at a common location, shall be readily accessible to the tenants and the Cooperative. Meters allowed to be located indoors shall be as near as possible to the service entrance, in a clean, dry place, reasonably secure from injury, not subject to vibration, and readily accessible for reading and testing. The Cooperative will review and approve all indoor metering requests.

An authorized representative of the Cooperative will determine the acceptability of the meter location in all cases.

Meter Relocation: The Cooperative will assess charges associated with a meter relocation in any of the following situations:

- If shutoff of service occurs at the street or pole because employees of the Cooperative could not obtain access to the meter.
- The Member or another responsible adult refused to permit the Cooperative access to the meter.
- If shutoff of service is due to unauthorized use or tampering.
- If the Member requests that the Cooperative relocate the meter, then the Member shall pay any additional costs.

Disconnection, Reconnection, and New Services

A Member may request a disconnection, reconnection, or new service under the following conditions:

- **Request for Traditional Disconnect:** The Cooperative will disconnect service during working hours with no charge to the Member upon the Member notifying the Cooperative a minimum of five (5) working days in advance of the preferred date of disconnection. A traditional request for disconnection of service, is whereupon the meter, wires, poles, and other facilities remain in place for easy reconnection upon a new Member requesting service at the same location. Only the Member(s) listed on the account for the service location may request a disconnection of service, unless other arrangements are made with the Cooperative to transfer that right to another party or in the event of an emergency such as fire, flood, other natural disaster, death, or other condition defined in these rules that allows the Cooperative to disconnect service. Furthermore, the abandonment or vacating of the property by a named account holder(s) who does not give proper notice to the Cooperative to disconnect or properly transfer the service to the rightful occupant, may result in granting the legal property owner rights to request a disconnection (or reconnection) of service upon proof of ownership.
- **Request to Disconnect for Repairs and Safety:** The Cooperative will temporarily disconnect service upon request for short-term repairs or other reasons and may waive any reconnection fees at its discretion to promote safe work around overhead or underground electrical wires, meters, and other Cooperative equipment. Typical requests for safety disconnections are to be requested upon notifying the Cooperative a minimum of five (5) working days in advance of the preferred date of disconnection, and shall be completed during working hours and include but are not limited to: tree trimming, digging, landscaping, excavating, electrical panel upgrades, demolition, renovation-additions or other exterior work such as painting, roofing or siding of home and buildings near or around the service entrance, masthead, or overhead/underground wiring. A disconnection of this type may be done at the meter, pole, or section of line as deemed appropriate by Cooperative staff based on the information provided by the Member on the type of work being done, where the work will occur and its proximity to Cooperative facilities and when reconnection will be requested. If Cooperative equipment or staff need to remain on-site until the work is completed, a fee may apply. Special disconnections at the pole or requested/completed after-hours will require special charges. See Supplemental Service Fees—Section 1.5. Reconnections after a safety disconnection, shall only occur during normal working hours, unless a remote-capable meter allows for such reconnection to occur afterhours, or the Member agrees to pay the applicable afterhours fees which is subject to the availability of line crews and equipment.

- **Request for Reconnection:** A Member may request a reconnection of service during working hours by notifying the Cooperative a minimum of five (5) working days in advance of the preferred date of reconnection. A Member may also request a reconnection of service under the specific conditions described in the Member Standards and Billing Practices – Section IV. A reconnection fee will apply as listed in Supplemental Service Fees—Section 1.5.
- **Request for New Service:** A Member may request a new service connection during working hours under the conditions specified in the Construction Policy—Section VI. A new service connection fee will apply as listed in Construction Fees and Deposits—Section 1.7.
- **Request for Temporary or Permanent Removal of Facilities:** The Cooperative will disconnect service during working hours upon due notice as provided elsewhere in these rules and remove certain Cooperative-owned facilities, if the Member specifically requests the permanent or temporary removal of metering equipment, power lines at point of attachment from structure, or service drop removal at the pole, or combination thereof. Disconnections at the pole may require a special charge under certain conditions. See Supplemental Service Fees—Section 1.5.
- **Request for Seasonal Disconnection:** Members are discouraged from seasonal or repetitive disconnections for services designed to be permanent, therefore under such circumstances, the Cooperative reserves the right to bill the Member for any additional costs to the Cooperative to administer repetitive disconnections due to seasonal usage. If a Member still desires to request disconnection under these circumstances, the Cooperative will complete the disconnect during working hours with no charge to the Member, provided the Member notified the Cooperative a minimum of five (5) working days in advance of the preferred date of disconnection. Requests to reconnect the service will require a reconnection fee, as listed in the Supplemental Service Fees—Section 1.5. However, if restoration of service at the same location is requested by the same Member or property owner(s), the applicable reconnection fee will be increased by the amount of the monthly facility charge in the applicable rate schedule for the months service was disconnected, provided such reconnect occurred during the twelve (12) month period immediately following a requested disconnect by the same Member or property owner(s).

The Cooperative reserves the right to temporarily disconnect service without Member consent (with or without notice) for system repairs or improvements conducted by the Cooperative, during emergency situations, such as fire, flood, and other natural disasters; for reasons of health or safety, system or equipment protection, severe voltage fluctuations, unauthorized use or tampering; or other reasons as defined in the *Construction Policy* or *Member Standards and Billing Practices*. Notice will be given to Members during temporary planned service interruptions necessary for repairs or system improvements.

Apartment Buildings and Residences with Multiple Dwellings

An apartment building or multiple dwelling shall be considered as one containing multiple rooms in which single rooms, suites or groups of rooms have individual cooking and kitchen sink accommodations. Service supplied through a single meter to an apartment building or multiple dwelling of this type shall be billed on the non-residential rate schedule on a single Member basis.

Apartment Buildings or Residences with Multiple Dwellings | Units Individually Metered: The Member will be billed under the appropriate residential rate schedule whether occupied or unoccupied.

Apartment Buildings | Common Areas: The Member will be billed under the non-residential rate schedule for common areas that are metered separately, e.g., lobbies, laundry areas.

Rooming Houses, Non-Private Family Units, Dormitories, or Other Similarly Occupied Buildings: Service supplied through a single meter to rooming houses, dormitories, nursing homes, and other similarly occupied buildings containing sleeping accommodations shall be classified as non-residential and billed on the appropriate rate schedule

Deposits

A deposit may be required as a condition of service for residential and non-residential accounts. See Member Standards and Billing Practices–Section 1.4 or the Construction Policy–Section 1.6 for details.

Accessibility

The Cooperative has qualified employees available during normal working hours to receive and respond to all Member inquiries, service requests, and complaints. A 24-hr phone hotline shall be available to Members to report power outages to the Cooperative so the utility is able to respond to power outages adequately and efficiently during regular working hours and afterhours.

Publication of Procedures

The Cooperative shall make this document available to all Members along with the Cooperative’s bylaws outlining the rights and responsibilities of membership in the Cooperative. This information is available on the Cooperative website or by contacting the Cooperative.

Access to Rules and Rates

The Cooperative will make available to its Members, the Cooperative’s complete rate schedule along with an explanation of rates, billing practices, terms and conditions, and other related rules governing electric use, which are available upon request. The Cooperative will publish an annual notice, explaining the Member’s right to this information as described herein.

Access to Consumption Data

Members may request their detailed electric consumption history by contacting the Cooperative. This data is also available to Members through the Cooperative’s online account management tool. Upon written approval, the Cooperative may also provide consumption data to a third-party designated by the Member.

Notice of Changes

The Cooperative shall notify all Members by first-class mail a minimum of ten (10) calendar days in advance of a meeting where the Cloverland Electric Cooperative Board of Directors will discuss and vote on an increase in rates affecting at least five (5) percent of the Members, or substantive changes in billing practices, rules, or terms and conditions of service. This meeting is open to the Members.

The Cooperative shall notify all Members by first-class mail at least 30 calendar days prior to the effective date of a change to rates, billing practices and rules, or terms and conditions of service.

For any notice required herein, the Cooperative may, in lieu of first-class mailing, publish notices in a periodical issued by the Cooperative that is mailed to each member.

Section 1.4: Member Standards and Billing Practices

Members who purchase electricity provided by the Cooperative for residential and/or non-residential purposes, shall abide by these rules. The Cooperative shall also abide by and implement these rules in a manner that is fair, consistent, and in the best interest of the Cooperative and its Members. The Cooperative shall not discriminate against or penalize a Member for exercising any right(s) granted by these rules.

The Cooperative may adopt additional rules governing relations with its Members that are reasonable and necessary. The Cooperative's rules shall be subject to approval by the Cooperative's Board of Directors.

Applicability and Purpose

These rules are intended to promote safe and adequate service to Members and to provide standards for uniform and reasonable practices for residential and non-residential services. These rules do not relieve the Cooperative from any of its duties under the laws of the State of Michigan. Members accepting electric service in their name are bound by these rules and membership in the Cooperative.

Definitions

Active Military: A Member serving in the military (or his or her spouse) meeting all of the following criteria: full-time active duty, deployed overseas in response to a declaration of war or undeclared hostilities or is deployed within the United States in response to a declared national or state of emergency and the household income is reduced as a result and notifies the Cooperative of his or her eligibility and provides verification of eligibility if requested by the Cooperative.

Applicant: An entity or person 18 years of age or older (or emancipated minor) requesting electric service in the name of that person using the following methods: in-person, in-writing, telephone, facsimile, internet, e-mail, mobile app or other form of communication that allows the applicant to provide the information required by the Cooperative.

AR Transfer: A transfer of a charge or credit between accounts.

Authorized Payments: The Cooperative accepts the following payment types: cash, debit or credit cards, money orders, cashier checks and personal checks. A personal check may be accepted so long as a prior check has not been returned by a financial institution for insufficient funds.

Billing Date: The date the electric bill is produced and issued to the Member.

Billing Error: An undercharge or overcharge that is caused by any of the following:

- An incorrect actual or remote meter reading.
- An incorrect meter multiplier.
- An incorrect calculation of the applicable rate.
- A meter switched by the Cooperative or a Cooperative representative.
- An incorrect application of the rate schedule.
- Another similar act or omission by the Cooperative in determining the amount of a Member's bill.

Billing Period: An electric consumption period of not less than 26 or more than 35 days.

Board of Directors: A democratically elected group of Members elected by the Members of the Cooperative's membership districts to represent the Members within their respective membership district.

Budget Billing: A payment plan to level-out payments throughout the year, sparing Members from unpredictable bills that result from seasonal usage variations.

Collections: A process for collecting unpaid balances for final or inactive accounts that involves a third-party collections agency.

Complaint Resolution Board: A committee of employees of the Cooperative or authorized representatives that reviews unresolved disputes and renders a written decision based on facts presented by the Member and Cooperative management.

Critical Care Member: A Member that requires or has a household Member that requires home medical equipment necessary for life support systems, and who has provided appropriate documentation from a physician or medical facility to the Cooperative identifying the medical equipment or life support system and certifying that an interruption of service would be immediately life-threatening.

Cycle Billing: A billing system where bills are rendered to various Members on different days of a calendar month.

Delinquent Account: An electric service account with charges for electric service that remains unpaid after the due date.

Demand: A charge based on the maximum power requirement recorded by the meter over a specified time frame during the billing period.

Due Date: The date printed on a Member's bill indicating when the bill payment is required by the Cooperative.

Electric Cooperative: A consumer-owned, not-for-profit electric utility.

Electronic Funds Transfer (EFT): Payments made by check which are converted and processed as an electronic transaction. Checks presented to the Cooperative may be drawn on a Member's account the same day it is received.

Energy Assistance Programs: A variety of programs and services providing financial assistance or energy efficiency support.

Energy Capacity Charge: A required charge that represents the cost to ensure the Cooperative always has sufficient energy resources available to all members.

Energy Charge: An itemized charge on a Member's electric bill that represents the amount of electricity used.

Energy Optimization (Program) Surcharge: A surcharge used to fund energy efficiency programs. The surcharge is billed per kilowatt-hour for residential services and per meter for non-residential services.

Energy Usage: Consumption of electricity measured in kilowatt-hours (kwh).

Entity: A non-natural person such as a firm, association, corporation, partnership, or governmental unit.

Estimated Bill: A bill for service at the premises that is not based on an actual meter reading for the billing period but one based on calculations of how much electricity was used during the billing period.

Facility Charge: A set monthly fee used to recover the fixed costs for the facilities used to generate, transmit, and deliver electricity.

General Service: A rate class designation for nonresidential accounts.

Guarantor: A person or entity responsible for payment of another Member's bill.

Hold Harmless Agreement: A statement in a legal contract that absolves one or both parties in a contract of legal liability for any injuries or damages suffered by the party signing the contract. This clause may be stated in service contracts or for new service construction agreements.

Income-Qualified: A Member whose household income does not exceed 150 percent of the federal poverty guidelines as published by the United States Department of Health and Human Services or who receives any of the following: supplemental social security income, income-qualified assistance through the Department of Human Services or successor agency, food stamps or Medicaid.

In Dispute: A matter that is the subject of an unresolved disagreement, claim, or complaint against the Cooperative by a Member.

Late Payment Charge: A charge assessed by the Cooperative because a bill or portion of a bill is delinquent.

Load: The total amount of electric power drawn from an electric system.

Membership | Member: Any natural person, or entity such as a firm, association, corporation, partnership or governmental unit may become a member of Cloverland Electric Cooperative by: (1) Paying any deposit, contribution, fee, charge or any combination, as required by the Cooperative; and, (2) Agreeing to purchase electricity from the Cooperative; and, (3) Agreeing to comply with and be bound by the Cooperative's Articles of Incorporation, its Bylaws, any amendments, and any rules and regulations as may be adopted by the Cooperative's Board of Directors. While a person may receive electric service at more than one premise, no person shall hold more than one membership in the Cooperative.

Member-Regulated: A Michigan electric cooperative that is governed by a board of directors elected by and from the Members and who are responsible for establishing the rates and rules of the cooperative.

Meter: A device that measures and registers the amount of electricity used.

Meter Error: A billing undercharge or overcharge that is caused by a non-registering meter or a metering inaccuracy.

Meter Reading: An electric meter reading that is based on the Members actual energy use during the period reported.

Meter Tampering: The unlawful and dangerous practice of interfering with the operations of the meter to avoid paying for electricity used.

Meter Test: An evaluation of a meter using equipment designed to measure the accuracy of the meter.

Multiplier: An internal meter mechanism multiplication factor incorporated in certain meter types to determine actual usage.

Non-Residential Service: An entity such as a firm, association, corporation, partnership, or governmental unit that purchases electricity supplied or distributed by the Cooperative.

NSF: Non-sufficient funds or insufficient funds, refers to the status of a checking account that does not have enough money to cover transactions. An NSF Fee may be applied to a Member's account in such cases.

Past Due: An account that has not been paid within 5-days of the due date and subject to a late payment penalty.

Payment: A payment is considered on-time if it is received on or before the due date printed on the bill.

Pay Station or Payment Agent: A financial institution authorized by the Cooperative to accept Member payments on behalf of the Cooperative.

Positive Identification: A driver's license or state-issued identification card, U.S. military card or military dependent's identification card, Native American tribal document, or passport. For a non-residential service, positive identification also includes Articles of Incorporation, tax identification documents, business license, certificate of authority, or similar documents proving identity of an entity.

Power Supply Cost Recovery (PSCR): A fuel-cost adjustment factor used to reconcile for changes in the monthly cost of purchased power.

Rate Schedule or Tariff: The energy charges associated with and available to a particular rate class or service.

Remote Shutoff or Restoration: The ability to discontinue or restore service to a service location electronically.

Residential Service: The provision or use of electricity for residential dwellings.

Satisfactory Payment History: A Member account that has not been delinquent more than once in the past twelve (12) months.

Senior Citizen: A Member who is 65 years of age or older and provides verification of eligibility if requested by the Cooperative.

Shutoff (Cutoff) of Service: A disconnection of electric service that is not requested by a Member.

Shutoff Protection Period: The period of November 1st through April 15th, whereupon the Cooperative may choose not to disconnect residential accounts for nonpayment due to the winter season.

Space Heating Season: The period between November 1st and April 15th when space heating is most common.

Termination of Service: A discontinuance of electric service that is requested by a Member.

Transfer of Service: Changing of electric service from one member to another with no interruption of service.

Field Trip DNP Fee: A special charge assessed when an employee of the Cooperative arrives at a service location to perform a shutoff of service for nonpayment.

Unauthorized Use of Electric Service: Theft, fraud, interference, or diversion of service, including but not limited to meter tampering (any act which affects the proper registration of service through a meter), by-passing (unmetered service that flows through a device connected between a service line and Member-owned facilities), and service restoration by anyone other than the Cooperative or its authorized representative.

Unregulated Service: A service that is not regulated by the Michigan Public Service Commission.

Unsatisfactory Payment Record: A payment history consisting of two or more late payments in any twelve (12) month period or one necessitating the discontinuation of electric service.

Weather Adjusted Consumption Data: A Member's monthly energy usage divided by the number of heating or cooling degree days for that month.

Working Days and Hours: The days of the week when the Cooperative's business offices are available to Members for business transactions. Working days are Monday through Friday, 8:00 a.m. to 4:30 p.m. Approved Cooperative holidays are not considered working days. These holidays include New Year's Eve Day, New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving Day, Christmas Eve and Christmas Day.

APPLICATION FOR SERVICE

A person 18 years of age or older (or an emancipated minor) requesting electric service in the name of that person or an entity may request electric service in person at the Cooperative's offices or by writing, telephone, facsimile, email, internet, mobile app or any other form of communication that allows the applicant to provide the information required by the Cooperative.

An applicant shall provide positive identification information and pay a deposit, if required. Entities are required to provide the name of the authorized individual responsible for all aspects of account management including payment or the third-party bill processing entity responsible for issuing payments on behalf of the entity. Applicants may be required to show ownership or a lease for the property where service will be rendered.

The Cooperative requires full legal name, social security number, driver's license number (if applicable), phone number, mailing address, service address, service description, email address (if applicable) and name of any other joint Member of the account.

The Cooperative may also require payment of a delinquent account as a condition of providing or continuing service if the following conditions apply:

- The delinquent account is in the Member's or applicant's name.
- A person living at the service location and named on the rental agreement or lease or is listed on a payment assistance agency application and has a delinquent account with the Cooperative.
- The delinquent account is not in dispute and owed to the Cooperative.

Applicant Information

The Cooperative requires the following information for all members that will be listed on the account: full legal name, social security number, driver's license number (if applicable), phone number, mailing address, service address, service description, and email addresses (if applicable). All names added to the account as members will be:

- Responsible for monthly payments or debt.
- Making updates or changes to the account.
- Listed on the director election ballot (one vote per membership).

If the applicant is renting the premises for which service is requested, the Cooperative shall require proof that the applicant is a tenant. Written or oral confirmation by the manager, landlord, or owner of the property, or a verified signed copy of the rental or lease agreement is sufficient proof. An applicant may verify a lease by submitting a lease agreement containing signatures of the landlord and tenant or by providing the Cooperative with contact information for the landlord.

DEPOSITS

The Cooperative will keep record of all deposits and make reasonable efforts to locate Members with unclaimed deposits or credits. Interest will be paid on all deposits at the interest rate listed in the Supplemental Service Fees—Section 1.5.

The Cooperative will provide Members with a Receipt of Deposit letter explaining the terms and conditions.

Prohibited Practices

The Cooperative shall not require a deposit or other guarantee based on income, home ownership, residence location, race, color, creed, sex, age, national origin, marital nor familial status, disability, or any other criteria not authorized by these rules.

Deposit Requirements for New Members

The Cooperative may require a deposit as a condition of providing service to a new Member. A new Member is either a natural person or entity that has not previously received electric service from the Cooperative.

Deposit Requirements for Former or Current Members or for Continued Service

The Cooperative may require a deposit as a condition of providing service to a former Member or to a current Member if any of the following provisions apply:

- Applicant requests service for a location at which he or she does not reside.
- Applicant fails to provide positive identification information upon request when applying for service.
- At the time of the request for service, the former Member or applicant has a prior service account that is delinquent and remains unpaid.
- Member or applicant misrepresents his or her identity or credit standing.
- The applicant lived in a residence with a person who accrued a delinquent account for electric service to the shared residence, during the time the applicant lived there, which remains unpaid and the person with the delinquent account now resides with the applicant.
- Member or applicant engaged in unauthorized use of electric service.
- The Cooperative has shut off service to the Member for nonpayment of a delinquent account.
- The Cooperative has received one or more checks issued from the Member's account returned from the financial institution for non-sufficient funds or has had one or more payments from the Member's debit or credit card or other form of payment denied within the last twelve (12) months, excluding financial error.
- The applicant has sought relief under federal bankruptcy laws.

Deposit Amounts

The deposit is twice the average monthly bill for the existing service location based on the previous twelve (12) months of energy use. The deposit may be retained until the Member has twelve (12) consecutive months of bill payment on or before the due date. Failure to make the required deposit as a condition to receiving service shall constitute grounds for discontinuance of service.

The Cooperative may require a new or increased deposit from an existing Member when it determines that the Member's unsatisfactory payment record with the Cooperative has become unsatisfactory. An unsatisfactory payment record is one consisting of two or more late payments in any twelve (12) month period or one necessitating the discontinuation of electric service.

If the electric consumption history for the premises is unavailable, the deposit shall be twice the Cooperative's system monthly average for the applicable rate schedule. For services involving new construction, the deposit amount may be based on the estimated or projected energy use and the applicable rate schedule.

A deposit is required as a condition of providing, restoring, or continuing service due to unauthorized use of electric service. The deposit shall be four times the average monthly bill for the premises or four times the Cooperative's system average monthly bill for service if the Member's consumption history for the premises is unavailable. The Cooperative shall retain the deposit until twelve (12) months of consecutive payments on or before the due dates has been attained.

Deposit Interest

All deposits shall accrue interest. The Cooperative shall pay interest at the rate as listed in the Supplemental Service Fees—Section 1.5. Interest will be payable semi-annually until the deposit is refunded.

Deposit Refunds

Deposits will be refunded by credit to the account when the Member has established a satisfactory credit rating with the Cooperative. Payments received for electric service on or before the due date for twelve (12) consecutive months shall be evidence of satisfactory credit.

Deposits with accrued interest shall be refunded or credited to the final bill after discontinuance of service.

For Members continuing to receive service, the Cooperative may apply the deposit against an existing arrearage.

Irrevocable Financial Institution Letter of Credit or Guarantee for Non-Residential Services

The Cooperative may, at its option, accept an irrevocable financial institution letter of credit or guarantee instead of a deposit. The written letter of credit or guarantee shall be in effect for twelve (12) months and shall state all the terms and the maximum amount credited/guaranteed. The Cooperative shall not hold the creditor or guarantor liable for a greater amount, unless agreed to in a separate written letter of credit or guarantee.

The Member's credit shall be established after twelve (12) consecutive months of satisfactory on-time payments at which time the Cooperative shall release the creditor/guarantor.

The Cooperative may withhold the release of a creditor or guarantor pending the resolution of a shutoff for nonpayment.

METERS: READINGS, ACCURACY, ERRORS AND TAMPERING

Meter Reading

The Cooperative will provide all Members with a monthly meter reading based on the Member's actual energy use during the period reported.

Estimated Meter Readings

The Cooperative may estimate a meter reading only if an actual meter reading cannot be obtained. If the Cooperative cannot obtain an actual meter reading, then the Cooperative shall maintain records of the efforts made to obtain an actual meter reading and its reasons for failure to obtain an actual meter reading.

If the Cooperative estimates a Member's bill for two (2) or more consecutive months, the Cooperative shall offer the Member the opportunity to pay the bill over the same number of consecutive months. The number of consecutive months may not exceed a total of six (6) months.

In the event the Cooperative needs to estimate a meter reading, it will be indicated on the Member's bill.

If the Cooperative shuts off service due to nonpayment, it shall complete a final actual read. If unable to obtain an actual read after several reasonable attempts, the Cooperative may estimate the bill.

Meter reading estimates are calculated based on the last two (2) years of average monthly use.

Meter Accuracy and Errors

A meter recording usage inaccurately shall be repaired or replaced by the Cooperative at its expense. A meter is determined to be inaccurate if any of the following occurs:

- Meter is found upon any test to have an average inaccuracy of more than two (2) percent.
- If a demand meter is found upon any test to have an average inaccuracy of more than one (1) percent.
- If a meter registration has been found to be inaccurate due to tampering of known or unknown persons.

Failure to Register

When a meter has stopped or has failed to register all the energy used, the Cooperative will bill the Member for the energy estimated to have been used, based on previous history (if available) and/or usage recorded by the new meter.

Meter Tampering and Unauthorized Use

Unauthorized Use of Electricity is the theft, fraud, interference, or diversion of service, including but not limited to meter tampering (any act which affects the proper registration of service through a meter), by-passing (unmetered service that flows through a device connected between a service line and Member-owned facilities), and service restoration by anyone other than the Cooperative or its authorized representative. Furthermore, this applies to any other act(s) that interferes with the accurate billing of electricity used by the Member.

The Cooperative has a zero-tolerance policy, therefore all tampering involving the meter, meter seal, or other co-op facilities are reported and investigated by law enforcement and subject to civil penalties, fines and criminal

punishment in addition to Cooperative penalties or fines billed to the Member. See *Unauthorized Use of Electricity Fee*, Supplemental Service Fees—Section 1.5.

In cases of unauthorized use of electricity, the Member may be back billed for the undercharge and any authorized fees or special charges. An increased deposit (upon reconnect-if allowed) as defined in these rules shall also apply.

If unauthorized use of electricity or meter tampering is suspected, electric service will be immediately disconnected with or without notice at any time.

The theft of electricity is a crime punishable by law and is extremely dangerous. Attempts to unlawfully access Cooperative-owned electrical equipment subjects perpetrators to a safety hazard including but not limited to: electrocution resulting in severe bodily harm, death, fire or damage to Member-owned property/electrical systems or Cooperative-owned equipment. The Cooperative reserves the right to invoice the perpetrator to recover any such damages including labor and legal fees due to meter tampering or unauthorized use and will seek all lawful and civil remedies to recover those costs.

BILLING AND PAYMENT STANDARDS

Delivery and Payment of Bills

A bill shall be mailed, transmitted, or delivered to the Member not less than twenty-one (21) days before the due date. Failure to receive a bill properly mailed, transmitted, or delivered by the Cooperative does not extend the due date. Payment of bills must be received on or before the due date printed on the bill or be subject to a late penalty.

Late Payment Penalty

Unless the Cooperative's rate schedules state otherwise, a late payment penalty of not more than two (2) percent, may be applied to the unpaid balance outstanding, net of taxes, if the bill is not paid in full on or before the date on which the bill is due.

Billing Frequency | Delivery Method

The Cooperative shall send a bill each billing month to its Members in accordance with approved rate schedules unless the Cooperative and the Member agree to another billing interval. The Cooperative shall send a bill by mail unless the Cooperative and the Member agree to another method of delivery.

The Member may designate a third party to receive bills, shutoff notices, or other communications from the Cooperative on the Member's behalf. The receipt of bills by a third party does not make that party responsible for the bills unless the third-party recipient is a guarantor.

Members who use online billing and payment shall have the same rights and responsibilities as those who use paper bills and make payment by US mail.

Cycle Billing

The Cooperative may use cycle billing if each Member receives a bill on or about the same day of each billing month. If the Cooperative changes schedules by more than seven (7) calendar days, it shall provide notice to affected Members at least ten (10) calendar days before making the change. A Member may request a billing cycle change at no charge to obtain a more desirable due date.

Payment Arrangements

The Cooperative at its discretion may offer a payment arrangement to Members. Broken payment arrangements may result in an immediate shutoff of service for nonpayment if applicable without notice. Those with broken payment arrangements may not be offered future payment arrangements.

Payment of Bill

The Cooperative shall permit each Member a period of not less than twenty-one (21) calendar days from the date the bill was sent to pay in full.

- The Cooperative shall not withdraw funds from a Member's account before the due date in cases where a Member uses an automatic bill payment plan.
- The Member has the right to pay any delinquent bill at any time prior to shutoff of service to preserve uninterrupted service. It shall be the Member's responsibility to contact the Cooperative and confirm payment has been received by the Cooperative. If a service shutoff order is issued and the employee of the Cooperative arrives at the service location to perform this function, the Member will be assessed a *Field Trip DNP Fee* as listed in the Supplemental Service Fees—Section 1.5.
- The Cooperative may authorize payment agents to accept payments on behalf of the Cooperative. The authorized agents shall accept payment and may provide payment verification that may be used by the Member to verify payment with the Cooperative. Payments made to authorized payment agents are not applied to the Member's service account immediately. Payments may take up to five (5) business days before they are received and applied by the Cooperative. If payment is not confirmed or applied by or on the due date, a late payment penalty may be assessed.
- Payment agent locations shall be clearly marked as an "Authorized Payment Agent for Cloverland Electric Cooperative." The Cooperative shall provide a list of authorized pay stations on its website.

Balance Transfer

The Cooperative may transfer debt owed by a Member to another service where the debtor is known to be residing. Failure to pay that debt may result in shutoff of service.

If there is shutoff or termination of service, the Cooperative may transfer an unpaid balance to any other service account of the Member with or without notice.

The Cooperative may transfer the unpaid balance to any other electric account associated with the Member listed under a different account name, if the Cooperative has reasonable cause showing the said member is responsible by ownership, occupancy, fiduciary responsibility, or virtue of past account history, assistance agency application, or combination thereof.

Payment Period

The date a bill is sent is the date the Cooperative transmits the billing information to the Member and referenced on the bill as the billing date. The payment due date will not occur on a Saturday, Sunday, legal holiday, nor a day when Cooperative offices are closed.

If a Member fails to make full payment by the due date, the Cooperative may begin to implement its collection practices including the use of automated telephone calls reminding the Member or third-party designee that the payment is past due or that the bill is past due. The Cooperative nor its agents shall not make more than two (2) calls per day.

Allowable Charges

Except as otherwise provided by statute, the Cooperative shall bill each Member for electricity consumed and any other approved charges in accordance with rate schedules approved by the Cooperative's Board of Directors.

Bill Information

A bill that is transmitted by the Cooperative shall clearly state all the following information:

- The beginning and ending meter readings and dates for the billing period.
- The units of electricity consumed during the billing period and the units of electricity consumed during the comparable period the prior year.
- A designation of the rate.
- The due date.
- Any previous balance.
- The amount due for electricity usage.
- The amount due for other authorized charges.
- The amount of tax.
- The total amount due.
- Rate schedules, the explanation of rate schedules, and the explanation of how to verify the accuracy of the bill will be provided by the Cooperative upon request and posted on the Cooperative's website.
- Members should contact the Cooperative regarding an inquiry or dispute about the bill before the due date.
- The address and telephone number of the Cooperative where Members may initiate any inquiry or dispute regarding the bill, or the service provided by the Cooperative.
- The Cooperative is Member-regulated and governed by the Cooperative's Board of Directors.
- The Cooperative may provide an invoice billing statement for Members with multiple service locations. An invoice billing statement includes all charges associated for the multiple locations combined on one statement.
- The automated pay-by-phone number.

Online Billing Statements

Members may elect to receive billing statements online. The Cooperative shall comply with each of the following requirements:

- No enrollment or usage fees shall be assessed to a Member who chooses to receive bills or information online.
- The online billing statement shall include all information as provided on a paper bill.
- The Cooperative shall maintain a secure and encrypted site to be accessed by the Member after completing the secure registration process.
- The Cooperative may require that the Member use a password or security question to access the online billing system.
- Any fees to accept online payments shall be clearly displayed in the payment window.
- Any payment made online shall be treated as a payment to the Cooperative at one of its member service offices where payments are accepted and processed.
- Use of the online system shall not restrict the Member in using other payment methods. All other payment methods shall continue to be available to the Member.
- The Cooperative may require a valid email and compliance with a user agreement to access the online system.

Invoice Bills

The Cooperative may combine the billing of two (2) or more accounts associated with the Member into an invoice bill.

Billing for Unregulated Services

The Cooperative may include charges for unregulated services on the same monthly bill if the charges for the unregulated services are designated clearly and separately from the charges for electric service and it is noted that it is an unregulated service. Failure to pay for unregulated service charges may result in the termination of that service but not the termination of electric service. If partial payment is made, the Cooperative shall first credit payment to the balance outstanding for electric service.

Billing Error

If the Cooperative overcharges a Member due to a billing error, the Cooperative shall refund or credit the amount of the paid overcharge on the bill following the discovery of the error. The Cooperative is not required to refund or credit an overcharge for more than one year immediately preceding discovery of the billing error.

If the Cooperative undercharges a Member, the following provisions apply:

- The Cooperative may back bill the Member for the undercharge which occurred during the twelve (12) month period immediately preceding the discovery of the error. The Cooperative will apply the full amount of the undercharge to the Member's electric bill. The Cooperative may offer the Member payment arrangements for up to or equal to the period of the undercharge.
- In cases that involve unauthorized use of Cooperative service, the Cooperative may back bill the Member for the undercharge. The Cooperative may assess penalty fees and charge the Member for additional expenses incurred.

VOLUNTARY TERMINATION OF SERVICE

For requests to disconnect electric service, the Member shall immediately make all efforts to notify the Cooperative of their intent to vacate the premises on the specified date of disconnection communicated in advance to the Cooperative. The responsibility to discontinue electric service in the event of a change in ownership or occupancy lies with the out-going Member.

A Member shall do all of the following:

- Notify the Cooperative at least five (5) working days prior to date of the requested service termination. Requests may be made in person, by phone, email, or through SmartHub, the Cooperative's account management tool. Any requests made less than five (5) working days will be performed as schedule allows.
- Allow the Cooperative access to the meter, if necessary, to perform a final meter read.
- Provide an address for final billing at the time of request of termination.
- The Cooperative will provide a final actual meter reading within five (5) working days of the request for termination or estimate the final reading. If the meter is not read within the five (5) working-day time frame, the Cooperative shall document the reason for no actual reading. An actual meter reading shall be obtained by the next normal reading cycle.

TRANSFER OF SERVICE

During a transfer of service request with no service interruption, the Member shall make all efforts to transfer service into their name immediately upon occupancy, ownership, lease agreement start date, or on the specified date agreed to by both arriving and vacating parties.

Establishing service or taking service out of one's name during a transfer of service (and confirming the desired actions requested) lies with **both** the arriving and vacating Member to ensure accurate start and end dates for billing.

The Member requesting service shall pay the applicable *Transfer Service-No Service Interruption* fee and other applicable charges. See Supplemental Services Fees—Section 1.5.

PROCEDURES FOR SHUTOFF AND RESTORATION OF SERVICE

Emergency Shutoff

The Cooperative may shut off service temporarily for reasons of health or safety or in a state of national emergency with or without notice.

Shutoff Permitted

The Cooperative may shut off or discontinue service for any of the following reasons:

- The Member has an unpaid delinquent account with the Cooperative.
- The Member has failed to provide a deposit or guarantee permitted by these rules.
- The Member has engaged in unauthorized use of utility service.
- The Member has refused access for the purpose of inspection, meter reading, maintenance, or replacement of equipment that is installed upon the premises, or for the removal of a meter.
- The Member misrepresented his or her identity for the purpose of obtaining electric service from the Cooperative or put service in another person's name without permission of the other person.
- The Cooperative may shut off electric service for any other unpaid Cooperative services, charges, or fees.
- The Member violated any rules of the Cooperative that adversely affects the safety of the Member or other persons or the integrity of the Cooperative's electrical system.
- The only Member named on the account is deceased and the bill remains unpaid, and no responsible party can be contacted.
- Failure to contact the Cooperative to assume/initiate service when prior member has notified us that they no longer want service in their name.
- If the mailed bill is being returned by the USPS as undeliverable and the account is unpaid, and there is no response to notices left by the Cooperative.
- The Member has failed to comply with the terms and conditions of a payment agreement or failed to secure guarantee of payment from an assistance agency.

Denial or Shutoff of Service

Service to Members may be denied or shut off **without notice** for any of the following reasons:

- If a condition on the Member's premises is determined by the Cooperative or a governmental agency to be hazardous.

- If a Member uses equipment in a manner that adversely affects the Cooperative's equipment or the Cooperative's service to others.
- For unauthorized use of electric service
- For tampering with metering equipment or other Cooperative facilities.
- Submitting an application containing false information.
- Failure to meet payment arrangements.
- Failure to receive a payment guarantee from an assistance agency.
- Failure to provide lease or required information to hold service.

Service to Members may be denied or shut off **with notice** for any of the following reasons:

- For violation of, or noncompliance with, the Cooperative's rules and regulations.
- For failure of the Member to fulfill contractual obligations for service or facilities.
- For failure of the Member to permit the Cooperative reasonable access to the Cooperative's equipment.
- For failure of the Member to provide the Cooperative with an applicable deposit.
- For attempting to transfer service into another person's name who has a debt with the Cooperative.
- For nonpayment of a delinquent account for electric service.
- For nonpayment of unpaid balances on any other associated account.
- For failure to pay any bill the Member is responsible for within the established collection period.
- Upon notice from governmental inspection authorities of condemnation of the Member's facilities or premises.
- For fraudulent representation related to the use of service.

Service **may not** be denied for the following reasons:

- Delinquency in payment for service by a previous occupant who has vacated the property of the premises to be served.
- Failure to pay the bill of another Member as guarantor.

Notice of Shutoff

In addition to the ten (10) day notice of disconnection for nonpayment on the bill, the Cooperative will mail an additional notice to the Member's billing address a minimum of five (5) calendar days prior to shutoff and maintain

record of such notice. The notices will contain the following items:

- The name and address of the Member, and the address at which service is provided, if different.
- A clear and concise statement of the reason for the proposed shutoff of service and Member's rights to prevent disconnect.
- The date on or after which the Cooperative may shut off service.
- The notice will include the telephone number and address where the Member may make inquiry about their account and availability of payment assistance services and any shutoff protection programs.
- The notice will state that in the event of a service shutoff due to nonpayment a deposit may be required and other applicable special charges to be paid prior to reconnection of service.

Notice of Residential Energy Assistance Programs

The Cooperative will inform its Members of federal and state energy assistance programs that are available and the eligibility requirements of the programs. The information may be explained on the Member's bill, provided as a bill insert, or other transmittal. This information shall also be posted on the Cooperative's website.

Rights Prior to Shutoff for Nonpayment

Members have a right to make a payment arrangement prior to the day of shutoff for nonpayment. Payment arrangement will not be granted on the day of shutoff.

Members have a right to file a formal written complaint with the Cooperative's resolution board prior to the day of shutoff for nonpayment. Choosing to pursue this process may not prevent a pending disconnect for nonpayment of a past due bill.

Some Members may be eligible for emergency energy assistance through a social service agency. Any Member who believes they are eligible must immediately contact the agency and inform the Cooperative of any efforts being made to obtain payment assistance.

If a Member has a certified medical emergency and provides proof, the Member has the right to inquire about any economic assistance or shutoff protection programs.

If any commitment to pay a Member's account is pending or approved by an assistance agency it is the responsibility of the Member to inform the Cooperative, verify any time extensions or deadlines agreed to by the Cooperative, and verify payment was received within the time constraints allowed to avoid the shutoff of service for nonpayment or late payment penalties.

Time of Shutoff for Nonpayment

The Cooperative may shut off service to a Member on the date specified in the notice of shutoff or at a reasonable

time following that date. If the Cooperative does not shut off service and mails a subsequent notice, then the Cooperative shall not shut off service before the date specified in the subsequent notice. Shutoff shall occur only between the working hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday.

The Cooperative shall not shut off service on a day, or a day immediately preceding a day when the services of the Cooperative are not available to Members for the purpose of restoring service. This rule does not apply to Member requests for termination of service.

Manner of Shutoff for Nonpayment

The Cooperative will notify the Member prior to a shutoff of service for nonpayment occurring and shall make at least two (2) attempts to contact the Member by telephone. The Member is responsible for keeping their telephone and address information current with the Cooperative. If the Member does not respond, the Cooperative may shut off service. The Cooperative will document all attempts to contact the Member. Immediately preceding the shutoff of service, the employee of the Cooperative performing the shutoff of service may announce the purpose of his or her presence. Any efforts by the Member to restore his or her own service are unlawful and dangerous.

The Cooperative will provide the same advance communications for shutoffs of service made in-person as well as those performed remotely. If the Cooperative mailed the notice of shutoff to the Member, and if telephone contact with the Member cannot be made, or if the Member did not respond to the notice, no further Member contact is required on the day service is to be shutoff and the utility may shut off service.

Payment on Day of Shutoff Due to Nonpayment

Payment to an employee of the Cooperative on the premise performing a shutoff of service for nonpayment is not allowed. Payment must be made to the Cooperative utilizing one of the Cooperative's authorized payment options. Authorized pay stations may only accept cash or personal checks and they may only accept payments under these circumstances, if the authorized pay station can verify to the Cooperative that funds were received. The Member must inform the Cooperative directly when a payment is submitted to an authorized pay station and must be verified by the Cooperative before reconnection will occur. Failure to notify the Cooperative of payment made at an authorized pay station may result in a delay in reconnection of service.

Shutoff Prohibited

The Cooperative **shall not** perform a shut-off of service for nonpayment under the following conditions:

- A residential service during the Shutoff Protection Period, unless no member of record on file.
- A Member or spouse of a Member living at that residence who is called to full-time active military service upon advance notice to the Cooperative, under the condition that the occupant has agreed to a payment arrangement.

Critical Care Needs

The Cooperative shall restore or postpone the shutoff of service for nonpayment for a minimum of twenty-one (21) days if the Member-Consumer or a member of the Member-Consumer's household is a critical care Member-Consumer and requires home medical equipment necessary for a life support system, and who has provided appropriate documentation from a physician or medical facility to the Cooperative identifying the medical equipment or life support system and certifying that an interruption of service would be **immediately** life-threatening. This documentation must be provided to the Cooperative **in advance** of the shutoff occurring.

In the event the Cooperative is notified of a critical care condition **after** a shutoff for nonpayment occurs, the Cooperative may restore service temporarily until such documentation as outlined above is provided within three (3) business days. An after-hours connection charge will only apply if the proper documentation is not provided. Failure to provide required documentation within three (3) business days shall result in a disconnection of service.

In either of the above scenarios, the Member shall provide the Cooperative with a Medical Certification Form within three (3) business days from the date the Cooperative was first made aware of the condition, that identifies all the following: (a) the medical condition, (b) any electronic medical equipment necessary to treat the health condition (c) the specific time period during which the shut off of service will aggravate the health condition. The required Medical Certification Form shall be provided by the Cooperative and is available upon request. The form must be completed and submitted in its entirety within the specific time period to be valid.

During the shutoff postponement, the Member shall do one or more of the following:

- Pay the minimum electric bill amount(s) due, effectively removing the account from a disconnection for nonpayment status.
- Secure a bill payment commitment from an assistance agency and provide proper notice to the Cooperative.
- Agree to a payment arrangement with the Cooperative and make all payment installments according to the agreed upon schedule.
- Relocate the critical care resident(s) or life support equipment effectively eliminating any health concerns for those dependent on electricity and named in the documentation provided, in the event disconnection of service due to nonpayment is unavoidable.
- Secure and safely install alternate power generation for emergency use, effectively eliminating any health concerns for those dependent on electricity and named in the documentation provided, in the event disconnection of service due to nonpayment is unavoidable.
- Make any other personal arrangements effectively eliminating any health concerns for those dependent on electricity and named in the documentation provided, in the event disconnection of service due to nonpayment is unavoidable.

Prior to the shutoff postponement expiring, if none of the remedies listed above are possible in the designated timeframe, the Member may request an extension for shutoff postponement by providing a new Medical Certification Form within three (3) business days from a physician or medical facility stating the medical condition still exists at the service location, thereupon, an additional twenty-one (21) day shutoff extension may be granted. A request for such extension along with the new documentation required must be presented to the Cooperative prior to the current shutoff postponement expiring.

If the Member fails to act on any of the remedies above or to communicate to the Cooperative regarding the Member's actions or inactions, after a shutoff postponement (or extension) has expired, the Cooperative may conclude that the critical care condition no longer exists at the service location and no additional shutoff postponements are necessary, such that the Cooperative may disconnect the Member's electric service for non-payment.

The Cooperative shall not be required to grant shutoff postponement extension(s) totaling more than sixty-three (63) days per household in any twelve (12) month period. Nothing in this rule, relieves the Member-Consumer of his or her obligation to pay for electric service. The Cooperative may require that the Member agree to a reasonable payment plan.

Restoration of Service for Special Circumstances

Service may be reconnected afterhours in the event of a medical emergency or disconnection in error.

Service may be reconnected afterhours upon request for special circumstances, if member agrees to pay an after-hours reconnection fee for a non-remote capable meter. See Supplemental Service Fees—Section V for applicable charges.

Restoration of Service Following a Shutoff for Nonpayment

After the Cooperative has shut off service for nonpayment, the Member is responsible for contacting the Cooperative and making sure that all requirements are met including the receipt of required payment(s), payment of deposit and any authorized special charges.

Service may be restored to Members who have paid all charges required to restore service that same day between the hours of 8:00 a.m. and 4:00 p.m. Monday-Friday, but no later than the first working day after payment was received. Service reconnection is not guaranteed on the same day payment is received.

Services shutoff for nonpayment will not be reconnected after working hours, unless remote capable and payment is made in full, including reconnect fee, deposit (if applicable) and other applicable fees.

Landlord | Tenant and Rental Properties

It is the responsibility of the named account holder to request shutoff, however in the event of abandonment of property or move by the tenant without notice to the Cooperative, the owner/landlord may request shutoff or request service to be transferred into his/her name without the consent of tenant if the tenant cannot be contacted. The vacating tenant may solely be held responsible for charges if service was left in his/her name unintentionally if the tenant does not request disconnection or transfer.

It shall be the responsibility of both the tenant and property owner/landlord to ensure electric service is the name of the proper responsible party, which may be the occupant, owner/landlord or those who utilized the electric service.

It shall be the responsibility of the landlord to notify the Cooperative of abandonment of property by the tenant and to transfer electric service into the landlord/tenant or rental business name in the event of no occupancy or to notify the new tenant that electric service must be established in their name. Failure to do so, may result in back-billing of electric service to the property owner or responsible party.

In the event a landlord/property owner, by preference wants to keep electric service in their name even at the time a rental property is occupied by a tenant. The landlord has all rights to electric service for disconnect and reconnect including access to bills and usage, which these rights may not be available to the occupied tenant since they are not the name account holder, unless the landlord specifically notifies the Cooperative to allow those rights.

The landlord/owner or rental business or tenant, may be required to provide proof of ownership or proof of renter/lease agreement at any time to establish responsibility or rights to electric service or billing period start and end dates. Failure to provide these documents upon request may result in denial or disconnection of electric service.

A transfer of service to the property owner/landlord may be denied in the event the occupant/tenant was disconnected for nonpayment, unless said account holder has vacated the property or pays required fees to reconnect service.

For the purposes of property management, usage data maybe requested by the landlord/owner but only if the tenant agrees to the release of information. All other tenant account information shall remain confidential and only accessible by the named account holder(s).

A landlord location designation is available upon request for rental properties and is at the discretion of the Cooperative. This designation allows for the automatic transfer of service back into the landlord's name upon the request of disconnect by the tenant vacating the property (without notification by the owner or Cooperative). This service allows for uninterrupted service and the protection of property during the winter months. This designation

must be requested by the owner and can be discontinued at any time if abuse or frequent billing disputes arise. An automatic transfer of electric service to the landlord under this designation, may not occur in the event the tenant was disconnected for nonpayment; therefore, disconnection would still occur regardless of the landlord location designation. All applicable transfer fees still apply for each occurrence.

FORMAL BILLING COMPLAINT RESOLUTION PROCESS

The Cooperative will attempt to resolve the dispute informally in a manner that is satisfactory to both the Member and the Cooperative.

For disputes that cannot be resolved between the Member and the Cooperative informally, a Member has a right to participate in the Cooperative's formal dispute resolution process. The Cooperative will inform the Member of their right to this process and provide a complaint form. The Cooperative ensures the prompt, efficient, and thorough investigation of all formal complaints through this process.

Choosing to pursue this process may not prevent a pending disconnect for nonpayment of a past due bill.

The formal complaint resolution process begins with the Member submitting a written complaint to the Cooperative. Formal complaints must be submitted within ten (10) working days from the time the incident occurred or be subject to dismissal.

Members must pay any portion of the bill not in dispute before filing a formal complaint.

Upon receiving a formal written complaint, the Cooperative will have five (5) working days to acknowledge receipt of the complaint, investigate it, and submit the complaint to the dispute resolution board, along with any findings or recommendations, for its final review and decision. Attendance by the Member may or may not be offered or required. Refusal of the Member to appear or respond timely to requested information may result in the dismissal of the complaint.

The Cooperative's Complaint Resolution Board will consist of three Cooperative supervisors/managers who will thoroughly review the written complaint and any additional information provided by the department manager/supervisor. The board will meet and render a decision within five (5) working days of the date the formal written complaint was received by the Cooperative.

The complaint resolution board will notify the Member, in writing, of its final determination.

Formal complaint determinations can be appealed to Cloverland Electric Cooperative's Board of Directors if the appeal request is provided in writing within five (5) working days of the determination made by the complaint resolution board. Appeals will be reviewed and addressed in conjunction with the next regularly scheduled meeting of the Board of Directors. Attendance by the Member may or may not be required. Failure to attend in person, if required, may result in dismissal of appeal, unless reasonable cause is provided and accepted by the Board of Directors. A final decision will be provided to the Member in writing within five (5) working days.

Same Dispute

The Cooperative may choose not to respond to a Member complaint or dispute that involves the same question or issue based upon the same facts and is not required to comply with these rules more than once before a shutoff of service occurs. The Cooperative shall provide notice to the Member that the complaint has been dismissed under this rule.

RATE SELECTION

Rate Selection

The Cooperative will maintain information necessary to advise the Member or prospective Members and others entitled to the information about the facilities available to serve prospective Members in the Cooperative's service area.

The Cooperative will assist Members in selecting the most economical rate schedule based on information supplied by the Member. Once the selection is made, the Member shall stay on that rate not less than twelve (12) months unless the Member notifies the Cooperative of permanent changes in the conditions of service that warrant a different rate schedule. The Member will also not be permitted to evade this rule by temporarily terminating service. The intent of this rule is to prohibit frequent shifts from one rate schedule to another.

In some cases, the Member is eligible to take service under one or more rate schedules. Upon request, the Cooperative will advise the Member of any rate schedules which will give the Member the lowest cost of service, based on the information provided to the Cooperative, but the responsibility for the selection of any alternate applicable rate schedule lies with the Member.

No refund will be made of the difference in charges under different rate schedules applicable to the same class of service.

SCOPE OF RULES

Nothing contained in these rules covering billing practices applicable to electric service shall be implemented in a manner that circumvents or is inconsistent with these rules, or the Cooperative's rate schedules to ensure the safe and reliable delivery of electric service.

If there is a conflict between these rules and the Cooperative's bylaws and rate schedules (tariffs), the Cooperative's bylaws and tariffs shall take precedence.

Section 1.5: Supplemental Service Fees

The Cooperative will assess special charges for specific services that are reasonable and necessary to discourage abuse, and to minimize subsidy of such services by other Members.

The following fees shall apply where applicable. Regular working hours are defined as 8:00 a.m. to 4:30 p.m. Monday through Friday except for the following holidays: New Year's Eve Day, New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving Day, Christmas Eve Day, and Christmas Day.

Transfer Service-No Service Interruption	\$20
Any Special Service Member Request—During Regular Working Hours	\$75
Any Special Service Member Request—Outside Regular Working Hours	\$200
Meter Test/Meter Reading Fee (Requiring field inspection)	\$75
Connection Charge—During Regular Working Hours	\$75
Connection Charge—Outside Regular Working Hours	\$200
Field Trip DNP Fee	\$75
Disconnect at Pole—During Regular Working Hours	\$100
Disconnect at Pole—Outside Regular Working Hours	\$250
Non-Sufficient Funds (NSF) Fee	\$30
Membership Fee	\$5
Deposit Interest	1%
Meter Tampering Penalty for Unauthorized Use of Electric Service	\$1,000
Late Payment Penalty	2%

Section 1.6: Construction Policy

Introduction

This section of the rules and regulations describes various provisions of how the Cooperative will construct and extend electrical facilities to serve new loads and replace, relocate, or otherwise modify its existing facilities. The Cooperative reserves the right to refuse service connection if the Cooperative deems a hazard or potential hazard exists; if Cloverland facilities are not readily accessible or are obstructed, or easements and permits are not able to be acquired.

A service application is required for residential and nonresidential new service requests, service upgrades, and Outdoor Protective Lighting (OPL) requests. A nonrefundable fee shall accompany each application. All new service connections, with the exception of Outdoor Protective Lighting services, will be billed a connection charge on the first regular monthly bill after a new meter is activated. See Construction Fees and Deposits—Section 1.7 for list of application fees.

The Cooperative will require an easement on all land parcels involved that will host Cooperative facilities prior to commencing construction and will prepare the easement when one is necessary (if not otherwise having a valid easement on file). All easements must be signed by all current landowners (deeded per record of the Register of Deeds), with notarized signatures for proper recording with the Register of Deeds of the county in which the land is situated.

Payments in Aid-to-Construction and other deposits made with the Cooperative under the provisions of this section shall be considered nonrefundable except where provisions for refunds are specifically stated.

Right-of-Way (tree/brush, etc.) clearing costs (when applicable) for all extensions are nonrefundable and are not included in any Allowance.

No refunds will be made in excess of the refundable amount deposited, and Aid-to-Construction payments shall not bear interest. Refunds, where applicable, will also be made in accordance with the terms stated in job-specific contracts or documents.

Each distribution line extension shall be a separate distinct unit and any further extension therefrom shall have no effect upon the agreements under which such extension is constructed.

Definitions

Aid-to-Construction: A dollar amount based upon a job-specific estimate that is prepared by the Cooperative's Engineering Department and paid by the Member, inclusive of the costs for all material, labor, equipment, and design for furnishing and installing the facilities required to provide electric service.

Allowance: A fixed dollar amount the Cooperative invests towards the costs for material, labor, equipment, and design to extend electrical facilities to residential electric services only. The Allowance, when applicable, is subtracted from the total job cost to calculate the Aid-to-Construction amount owed by the Member.

Loads of Questionable Permanence (LQP): An electric service that at the time of project inception has an unknown duration of service or need, that does not otherwise qualify as a temporary or permanent service.

LQP Factor: A Cooperative formula used for Loads of Questionable Permanence for calculating refunds.

Make-Ready: The modification or replacement of utility pole(s), line(s)/conductor(s), or equipment to accommodate the attachment of additional facilities on a utility pole or other Cooperative facilities.

Political Subdivisions: General purpose governmental entities, such as cities and counties (whether or not incorporated as municipal corporations), and special purpose governmental entities, such as special assessment districts that provide for roads, water, sewer, gas, light, reclamation, drainage, irrigation, levee, school, harbor, port improvements, and other governmental purposes for a State or local governmental unit.

Line Extensions

1. **Residential Service:** For a permanent structure with well, septic, and living quarters, or a mobile home with approved foundation, the Cooperative will furnish and install a single-phase, three-wire, 60 Hz, 120/240 Volt, up to 320 Amps (CL320) continuous current rated electric service.
 - a. *Charges* – For a new permanent residential service as defined above, the Cooperative will provide a fixed Allowance amount toward the line extension design and extension cost. Separate costs for job specific needs that may include right-of-way clearing, all required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.
2. **Commercial or Industrial Service:** The Cooperative will furnish, install, own, and maintain the electric distribution system including the service lateral cables for services rated up to 320 continuous amperes (CL320, industry phrased as “400 Amp”). The Member or contractor must furnish, install, own, and maintain service cables for services larger than CL320 rating and anything beyond a two-position meter box, secondary pedestal, or secondary cabinet served by the Cooperative’s standard conductors. Generally, when trenches are utilized for underground conductors and/or conduit, they may be occupied jointly by facilities of the Cooperative and other utilities where a satisfactory agreement for reimbursement exists between the Cooperative and other utilities. All commercial and industrial service shall be identified as such by the Cooperative, upon providing the Cooperative a federal tax identification number.
 - a. *Cooperative-Financed Extensions* – The Cooperative will finance the design and construction costs necessary to extend its facilities to serve commercial or industrial Members when such investment does not exceed twice the anticipated annual revenue, as established by an agreement with the Cooperative, to be collected from the Member initially served by the extension. Cloverland will prepare the Commercial Agreement for each commercial or industrial applicant containing the details of the specific installation and anticipated revenue.
 - b. *Charges* – When the estimated cost of design and construction of such facilities exceeds the Cooperative maximum initial investment as defined in Paragraph 2a (above), the applicant shall make an Aid-to-Construction payment in the entire amount of such excess costs. For the purposes of reconciling as described below, the Cooperative reserves the right to verify the new load is not a result of transferring existing load to the new service (or between accounts). In such cases, the Member is not eligible for a refund. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.

- (i) *Original Member* – The Cooperative will compute and issue all invoices to the original Member as outlined in the Line Extension Agreement.
 - c. *Refunds* – The Cooperative will refund remaining amounts of Aid-to-Construction payments collected under the provisions of Paragraph 2b in cases where actual consumption proves that the electric revenues supplied by the Member warranted a greater initial investment by the Cooperative.
 - (i) *Original Member* – The Cooperative will compute and issue any refunds to the original Member as outlined in the Line Extension Agreement.
- 3. **Service Extensions to Loads of Questionable Permanence (LQP):** When service is requested for Loads of Questionable Permanence, the Cooperative will install, own, operate, and maintain all distribution facilities, constructed using the Cooperative’s standard system voltages, equipment, and services up to the point of attachment to the Member’s service equipment subject to the following:
 - a. *Charges* – Prior to commencement of construction, the Member will make an Aid-to-Construction payment to the Cooperative in the amount of the Cooperative’s estimated design, materials, construction, and removal costs—less the cost of salvage of materials. Such estimate shall include the cost of extending the Cooperative’s distribution facilities and increasing the capacity of its existing facilities (where applicable) to serve the Member’s load. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.
 - b. *Refunds* – Refunds will only pertain to the original Member for system improvements that continue to use electricity for five (5) years or more, and the revenue generated during Year 1 and Year 2 is greater than or equal to Aid-to-Construction paid. The Cooperative will not pay any refund to the original Member in excess of the Aid-to-Construction. The Aid-to-Construction payment received shall bear no interest. Such refunds shall be computed as detailed within the specific agreement. The Member must request a refund with the Cooperative if and when applicable.
 - (i) At the end of the five (5) year period, the Cooperative will issue a refund provided the first two (2) years of revenue meet or exceed the initial Aid-to-Construction deposit, and;
 - (ii) The subsequent three (3) years must also provide revenue equal to or greater than the LQP Factor.
- 4. **Nonresidential Permanent Service:** This includes, but is not limited to, recreational vehicle services, stanchion services, garages, and other structures without permanent living quarters, not otherwise identified as commercial or industrial.
 - a. *Charges* – Prior to commencement of construction, the Member will make an Aid-to-Construction payment to the Cooperative in the amount of the Cooperative’s cost for the estimated design, materials, and construction. Such estimate shall include the cost of extending the Cooperative distribution facilities and increasing the capacity of its existing facilities (where applicable) to serve

the Member's load. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.

- b. *Single-Phase Line Extensions* – The Cooperative will extend its facilities to serve permanent, single-phase 120/240-volt services up to CL320 for Members.
- c. *Three-Phase Line Extensions* – The Cooperative will extend its facilities to serve permanent, three-phase services operating at one of the Cooperative's standard wye-grounded system voltages to Members.
- d. *Refunds* – Refunds will be issued for the allowable portion (Allowance) of construction costs if the service qualifies as a residential service within the five (5) year period immediately following connection of service.

Underground Facilities Extensions

This portion of the rules provides for the extension and/or replacement of electric distribution facilities when underground facilities are utilized.

1. **Residential Underground Service:** These provisions will apply to permanent dwellings. Mobile homes will be considered permanent dwellings when an approved well and septic are on site and all local ordinances or local governmental entity with jurisdictional requirements are met.
 - a. *Platted or Unplatted Subdivisions and Mobile Home Developments* – When requested and routes procured, distribution facilities in all new residential subdivisions and existing residential subdivisions where electric distribution facilities have not already been constructed, shall be placed underground. Additionally, a lot facing a previously existing street or county road and having an existing overhead distribution line on its side of the street or county road may be served from these facilities.
 - (i) *Distribution System* – The Cooperative will install an underground electric distribution system, including primary and secondary cables and all associated equipment, to provide service to the lot line of each lot in the subdivision.

For the purposes of definition, all one-family and two-family buildings on individual lots are residential. The Cooperative will furnish, install, own, and maintain the entire underground electric distribution system including the lateral service cables for new residential subdivisions, excluding instrument-rated services and multi-gang (*more than two*) complexes. The trenches for primary or secondary cables (or conduits containing cables) *may* be occupied jointly by facilities of the Cooperative and other utilities, provided all National Electrical Safety Code (NESC) requirements are met and:

- (a) satisfactory agreement for reimbursement exists between the Cooperative and other utilities; and

- (b) Cooperative electric distribution cables are installed in conduits as specified by the Cooperative, with a minimum of eighteen (18) inches of separation between the Cooperative's facilities and other utilities.

The service available will be at the Cooperative's standard for secondary voltages: single-phase, three-wire, 60 Hz. Three-phase service will be made available for special installations only under terms of a separate Residential Subdivision or Mobile Home Development Agreement, or portion to standard three-phase systems providing service to an apartment or condominium complexes. Certain related equipment, such as pad-mounted transformers, switching equipment, and service pedestals, will be above grade. For direct burial installations of cable, the area must be deemed suitable by the Cooperative.

The Cooperative will coordinate with other utilities and developer(s) as best as practical and possible where gas, sewer, and water lines will parallel Cooperative cables. The Cooperative highly recommends other utility taps should be extended into each lot five (5) feet beyond the route of the cables prior to installation of the underground electric cables/conduit.

The property owner shall not make any changes in established grade in or near the easement that will interfere with existing utility facilities. In the event the property owner requests relocation of facilities, or such facilities are endangered by a change in grade, the property owner shall pay the cost of relocation or rearrangement of the facilities.

- (c) *Charges for Design, Engineering, and Staking* – Prior to commencement of the project, the owner or developer shall pay the initial invoice for estimated design and engineering charges. (i.e., Residential Subdivision and Mobile Home Development Agreement).
- (d) *Charges for Construction* – Prior to commencement of construction, the owner or developer shall pay the Aid-to-Construction to the Cooperative in an amount equal to the estimated cost of design and construction of the distribution system. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.
- (e) *Additional Charges and Refunds* – Following completion of the construction work order detailing construction of the distribution system, the Cooperative will refund or invoice any amount by which its original estimate differs from the actual cost.

- (ii) *Service Laterals* – The Cooperative will install, own, operate, and maintain an underground electric service lateral from termination of its facilities at the property line to a metering point for each new residence in the subdivision. The Cooperative shall determine and/or approve location of all facilities, specifically the metering point(s).

- b. *Other Residential Underground Facilities* – At the Member's option, the Cooperative will provide underground electric facilities from existing overhead electric facilities in unplatted areas or in subdivisions where overhead electric distribution facilities have been installed, provided a route can be procured.

The Cooperative reserves the right to refuse to install its facilities underground in cases where, in the Cooperative's opinion, such construction would be impractical, hazardous, or present a potential detriment to the service to other Members. The Cooperative may designate portions of

existing subdivisions as “underground service areas” where, in the Cooperative’s opinion, such designation would be desirable for aesthetic or technical reasons. All future applicants for service in areas so designated will be provided with underground service subject to the applicable provisions of these rules.

2. **Developments:** The Cooperative will install an electric distribution system and provide electric service for all new residential subdivisions, mobile home parks, multiple occupancy building complexes, and commercial subdivisions, in cooperation with the developer or owner, evidenced by a signed agreement and in compliance with the following specific conditions:

- a. *Easements* – The developer or owner must provide for and facilitate the acquiring of signed legal Cooperative-formatted easements or a defined legally established right-of-way for all landowners, including the approval of any condominium associations or boards that have interest in the lands.
- b. *Grading* – The developer or owner is responsible for surface grading (or regrading) the area to finished grade and for clearing the easement of trees, large stumps, and obstructions to allow sufficient right-of-way for equipment to operate according to the Cooperative’s specifications. Survey stakes indicating easements, lot lines, and grade must be in place. The developer or owner must certify to the Cooperative that the easement and right-of-way areas are graded to within four (4) inches of final grade before any distribution facilities are installed.
- c. *Relocation* – The developer or owner is responsible for all costs of relocating Cooperative facilities to accommodate changes in grade or other changes after underground equipment has been installed and will be responsible for any damage to Cooperative facilities caused by the developer’s or owner’s operations or the operations of the developer’s or owner’s contractors. An invoice for the total estimated cost of design, materials, and construction shall be paid by the developer/owner prior to the relocation or rearrangement of facilities. The developer/owner will also be responsible for costs incurred when changes are requested by the developer/owner.

3. **Other Conditions**

- a. *Trenching and Conduit* – The Cooperative will determine whether conduit is required for each specific installation. The Member or developer may choose to be responsible for trenching, acquiring, and installing conduit for underground cable per specifications defined by the Cooperative and upon Cooperative inspection – or the developer/owner must show proof of installation by a Cooperative-approved licensed contractor. All conduit installations subject to local permitting authorities or regulatory acts must have approved permitting in place prior to the installation of conduit. If the Cooperative provides for trenching, acquiring, and installing conduit, all associated costs will be added to the overall construction costs. An additional amount equal to the actual design and construction costs shall be added to the trenching charges for practical difficulties such as in rock or in sodden ground or when boring under streets, driveways, patios or any other paved areas. Practical difficulties related to trenching shall also include those associated with winter construction from November 1 to April 30 inclusive, or until local seasonal and county road load limits are removed, whichever is later. Weather may also create delays beyond the time frames listed above.

- b. *Obstacles to Construction* –If the Cooperative incurs unusual construction costs due to physical or unforeseen obstacles such as, but not limited to rock, surface water, frost, other utility facilities, heavy concentration of tree roots, roadway crossings, or regulatory requirements, the applicant(s) shall make a nonrefundable payment in Aid-to-Construction for increased construction costs. The Cooperative reserves the right to refuse to place its facilities under road or railroad rights-of-way in cases where, in the Cooperative’s judgment, such construction is impractical. Any outside contractor costs shall be borne by the developer or owner.
- c. *Replacement of Overhead Facilities* – The Cooperative shall replace existing overhead electric distribution lines with underground facilities upon a Member’s request, if, in the Cooperative’s opinion, such replacement will not be detrimental to other Members’ electric service. Before construction is started, the applicant(s) must pay the Cooperative the estimated costs of conversion from overhead to underground. Costs will be reconciled after construction and invoices, or refunds will be issued when applicable.
- d. *Local Ordinances* – The Cooperative shall adhere to local ordinances where applicable.

Easements and Permits

1. **New Residential Subdivisions or Subdivided Lands:** For a new residential subdivision or subdivided lands, the developer shall cause to be recorded with the plat of the subdivision; a public utility easement approved by the Cooperative for the entire plat. Such easement shall include a legal description of areas within the plat which include provisions for electric utility purposes and other restrictions as shall be determined by the Cooperative for construction, operation, maintenance, and protection of its facilities. The Cooperative will require a Cooperative-defined easement for primary extensions, secondary service drops, anchors, and guying for all lands and adjacent lands. This Cooperative-defined easement will be in addition to the general utility easement corridors, within the subdivision, as regulated by Michigan’s subdivision plat act.
2. **Other Easements and Permits:** Where suitable easements do not exist, the Cooperative will provide the necessary easement forms to the Member (or applicant, developer, owner). The applicant(s), as a condition of service, will be ultimately responsible for obtaining the signature(s) on all easements. Various permits (site specific) may be required for both the Cooperative and the developer/owner for construction, operation, maintenance, and protection of the facilities to be constructed. Where state or federal lands, or lands under the jurisdiction of other regulatory agency, are to be crossed to extend service to an applicant or group of applicants, the owner must pay all additional costs incurred by the Cooperative for rights-of-way and permit fees. A *Permit Application Deposit* is required to initiate the necessary permit application(s). See Construction Fees and Deposits–Section 1.7.

If a survey is required, the Cooperative may coordinate with a licensed surveyor. The developer or owner is responsible for all survey fees.

Temporary Service

Members desiring temporary service for construction jobs, traveling shows, outdoor or indoor entertainment or exhibitions, etc., shall pay all applicable monthly charges according to the applicable rate schedules, including a *Temporary Service Monthly Fee*. See Construction Fees and Deposits—Section 1.7. In addition, such Members shall pay all material costs (in excess of any salvage realized) and labor costs (installation and estimated removal costs) prior to construction. Permitting for temporary services may be required from regulatory agencies and must be in place prior to the placement of temporary facilities. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.

For underground temporary services, conduit will not be required if the electric service point (meter location) is within ten (10) feet of existing secondary service-drop connection equipment facilities.

The Member shall be eligible for a refund of the charged value of the transformer if the temporary service is removed within 12-months.

1. **Transformer Costs:** If the Temporary Service is, or becomes, a permanent service, then all transformer costs will be borne by the Member.

If a service is truly temporary in nature, then the Member will be charged for one-half (1/2) of the ongoing cost of the transformer, plus all other costs they would ordinarily be responsible for. The cost charged for the transformer will be a deposit and will be fully refundable if the service is removed/disconnected within 12 months of installation (from the energized and available date). If at the end of 12 months of installation the member desires the service to remain in place, they are to be invoiced the balance of the ongoing cost for the transformer (no money is refundable at this point).

2. **Determination of Temporary Status:** The assigned Staking Technician will determine if the service is temporary based on the information available. A service built on a stanchion that is intended to remain as a permanent service but will be used as a temporary service by a contractor may be considered permanent so long as there is clear, physical evidence of the permanent nature of the service.

Moving of Buildings or Equipment

When a Member (or mover) desires to move a building or equipment through, under, or over the Cooperative's distribution lines, the Member must pay a deposit to the Cooperative in advance of the Cooperative moving its facilities. The amount of the deposit required will be equal to the Cooperative's estimated cost. Upon completion, the Cooperative will determine actual costs and will invoice or credit the mover according to the difference between actual costs and the deposit. Actual costs will be determined by the following:

- Average per hour labor and equipment costs (including overtime when applicable).
- Actual material used.

Relocation of Facilities

1. The Cooperative will cooperate with political subdivisions in the construction, improvement, or rehabilitation of public streets and highways.

2. Members must provide reasonable prior notice to the Cooperative so the Cooperative has adequate time to plan and schedule the relocation work.
3. If the Cooperative's poles, anchors, or other facilities are located within the confines of the public right-of-way, the Cooperative will make the necessary relocation at its own expense unless:
 - a. The facilities were originally installed within the confines of the public right-of-way at the request of the political entity.
 - b. Existing facilities deemed within the confines of a new public right-of-way were obtained after the construction of the Cooperative's facilities.
 - c. The facilities provide public services such as lighting, traffic signals, etc.
 - d. If a property owner requests relocation of facilities within the public right-of-way, it must be reviewed and approved by the Cooperative and related authorities having jurisdiction. The cost to facilitate the relocation will be borne by the property owner making the request.
4. If the Cooperative's poles, anchors, or other facilities are located on private or other property that is not public right-of-way property (described above), the party requesting the relocation will be responsible for all expenses involved in relocating Cooperative facilities.
5. Before the Cooperative performs relocation work under this section, the Cooperative will estimate the cost of moving the poles, anchors, and other appurtenances (including underground relocation costs when applicable) and a deposit in the amount of the estimate must be received from the firm, person, or persons requesting such relocation. Upon completion of relocation work, the Cooperative will determine the actual costs of the relocation and send an invoice indicating whether the Member owes funds in addition to the deposit or is entitled to a credit if the deposit exceeds the actual costs. The Member who requested the relocation must pay the Cooperative the amount set forth in the invoice.

Construction Schedule

The Cooperative may not begin construction until the following conditions are met: the Cooperative has received all Aid-to-Construction contributions and deposits, the Member has obtained all necessary easements and permits, and the Member has completed all other job specific requirements. The construction schedule may be delayed due to job design changes, right-of-way clearances, inclement weather, power outages, equipment availability, and material availability.

Design of Facilities

The Cooperative reserves the right to make the final determination for the selection, application, location, routing, and design of its facilities. Where excessive design and construction costs are incurred by the Cooperative at the request of the Member, the Member may be required to pay the Cooperative in advance for such excess costs.

The Cooperative will provide electric services at the following wye-grounded voltages only for ordinary services (nonprimary meter/nonsubstation):

- Single Phase 120V
- Single Phase 120/240V
- Three Phase 120/208V
- Three Phase 277/480V

Members that require other service voltages are responsible to provide, install, operate, protect, and maintain all equipment beyond the Cooperative's meter point (demarcation) for those service voltages.

Billing

If a Member fails to take service within two (2) months after an extension has been completed to the premises and within the time-period requested by the Member, the Cooperative shall have the right to commence billing the Member under the Cooperative's applicable rates and rules for the type of service requested by the Member.

Service Upgrades

A Member may request an upgrade to their existing electric service due to a need for increased capacity, voltage, or personal preference. When a Member requests an upgrade for an increase requirement, the Member must demonstrate the need for increased capacity or voltage. Electric service upgrades are separately defined as follows:

1. The following shall apply when an *existing* Member requests an upgrade of their service, excluding personal preference:
 - a. Upgrading service drop conductors
 - (i) Service upgrades for residential services are allowed up to CL 320 only, and the Member is granted a fixed Allowance towards design, materials, and construction costs.
 - b. Upgrading secondary conductor to primary conductor
 - (i) The Member must pay all design, material, and construction costs (less the Allowance) related to the residential service upgrade that the Member requests.
 - (ii) The Member must pay all costs of permitting and **facilitating** the acquisition of Cooperative-required easements.
2. When a Member upgrades existing facilities for personal preference, the Member is responsible to pay all costs to the Cooperative.
3. When a Member upgrades existing facilities due to age or condition the Member is responsible to pay all costs to the Cooperative.
4. Separate costs for job specific needs that may include right-of-way clearing, required permits, special equipment, logistical transportation, outside services, contractors, etc., are the responsibility of the Member and are nonrefundable.

5. The Member must pay all design, material, and construction costs related to nonresidential, commercial, or industrial service upgrades requested by the Member. Allowances for upgrades do not apply to nonresidential, commercial, or industrial services.
6. For commercial and industrial service upgrades, Member(s) are eligible for refunds based upon two (2) times the first year of actual increased revenue. For the purposes of reconciling the refund, the Cooperative reserves the right to verify the load is not a result of transferring existing load to the new service (or between accounts). In such cases, the Member is not eligible for a refund.

Damaged Services

Damaged services will be evaluated on a case-by-case basis, whereupon the Member may be responsible for most or all costs of repairs. Current National Electrical Safety Code (NESC), National Electrical Code (NEC), and Cooperative standards will apply.

General Staking Services

Member (and/or Member-contractors) shall be allocated up to four (4) hours for staking and design services. Any time above and beyond four (4) hours shall be invoiced to the Member or included in estimated construction costs to be borne by the Member. Applicable transportation costs may also be invoiced to the Member.

The allocated hours for general staking services does not apply to Outdoor Protective Lighting nor Street Lighting.

Competitive Bidding Job Estimates

Contractors or Members requesting a competitive bidding job estimate(s) from the Cooperative, shall pay a *Competitive Bidding Job Estimate Fee* per estimate, as detailed in Construction Fees and Deposits—Section 1.7. This fee shall be paid to the Cooperative in advance of estimate creation.

The Cooperative shall require confirmation from the Member, that the Contractor seeking information and/or estimate(s) is officially representing the interests of the Member, prior to the Cooperative preparing the estimate(s) and/or releasing project information.

Electrical Inspections

1. The need for an electrical permit and inspection for Member-owned facilities is facilitated by the authority having jurisdiction. (e.g., State of Michigan, township, fire authority, etc.)
2. If an electrical service has been disconnected for twelve (12) consecutive months, an electrical inspection is required before reconnecting service to ensure it's safe to energize the facilities.
3. The Cooperative can require an electrical inspection whenever any Member-owned electrical facilities appear to be unsafe, damaged, modified, unable to meet electrical code, or presents an existing or potential safety hazard.
4. The Cooperative reserves the right to require an electrical inspection regardless of the time of inactivity for other reasonable concerns including but not limited to: meter/service tampering, weather damage, and other safety concerns.
5. Electrical inspections costs and scheduling are the responsibility of the Member/property owner.

6. Electrical inspections are required for new service construction, facility or service upgrades, or meter relocation prior to energization of service.

Outdoor Protective Lighting

The Cooperative will install Outdoor Protective Lights (OPL) only on utility-owned poles suitable for lighting and cannot install on poles or other equipment owned by the Member. An Outdoor Protective Lighting (OPL) Agreement shall be required by the Member, as defined below. See rate schedules for Outdoor Protective Lighting for details on rates and other conditions of service.

1. The Member will agree to the following conditions of service:
 - a. Member will pay an application and processing fee of \$25.
 - b. Member will pay a one-time per light fixture fee for new LED Outdoor Protective Lights, that must be paid prior to installation. This fee is determined by desired device type and wattage per the rate tariff.
 - c. Member will pay a monthly fee per device determined by the installed device type and wattage per the rate tariff.
 - d. Member will pay any additional fees, beyond the cost and installation of one pole and one span of new secondary services.
 - e. Devices requiring a new pole and one span of new secondary services are billed under the “w/pole” rate per the rate tariff and include the costs of pole, wire, and installation.
 - f. Members must agree to enter into an agreement with the Cooperative whereby the Member guarantees a minimum of sixty (60) months of payments. However, should removal occur before sixty (60) months have elapsed, the Member will be required to pay the balance of the monthly fees, unless the new Member moving onto the property agrees to honor the agreement.
 - g. The Member will notify the Cooperative if the lighting fixture needs repair.
 - h. Lighting fixtures damaged by accident or vandalism will be repaired or replaced at the Member’s expense.
 - i. Bills are rendered in equal monthly installments without provision for partial or seasonal use.
 - j. Outdoor protective lighting is primarily intended for installation on existing utility-owned poles suitable for lighting and served from existing secondary facilities. All lights installed on new or existing poles will be set at points satisfactory to the Member and the Cooperative. Lights cannot be installed on Member-owned poles or other equipment owned by the Member.

- k. Where special purpose facilities are required, the Member shall pay in advance for material and installation costs of such additional facilities. Special purpose facilities are described as line extensions, transformers, and any additional poles without lights.
2. The Cooperative agrees to the following as a condition of service:
 - a. The Cooperative will own, operate, maintain, and repair the lighting fixture.
 - b. The Cooperative will replace bulbs and make repairs only during regular working hours.
 - c. The monthly rate is subject to Michigan sales tax, Power Supply Cost Recovery Factor, Energy Optimization Surcharge, and any approved rate changes.

Outdoor Protective Lights can be installed on existing utility-owned poles, or a new pole can be installed. See rate schedules for existing pole and new pole monthly rates. An OPL application fee will apply. See Construction Fees and Deposits– Section 1.7. Pole attachment rates may be applicable for installations on other utility-owned poles.

Streetlights

Streetlights are defined as lighting for public streets and roadways paid for by cities, villages, townships, federally recognized tribal entities or private subdivisions (herein known collectively as a municipality). Pole attachment rates may be applicable to other utility-owned poles. Streetlights are billed on a monthly rate per fixture and installed on wooden utility poles.

1. The Municipality will agree to the following conditions of service:
 - a. Municipality will pay installation charges, including labor and materials.
 - b. Municipality will pay all amounts required by the Cooperative’s rate tariff.
 - c. Municipality will notify the Cooperative if the lighting fixture needs repair or maintenance.
 - d. Lighting fixtures damaged by accident or vandalism will be repaired or replaced at Municipality’s expense or billed to the responsible party (if known).
2. The Cooperative agrees to the following as a condition of service:
 - a. The Cooperative will own, operate, maintain, and repair the lighting fixture.
 - b. The Cooperative will install, remove, replace, or make repairs during regular working hours.
 - c. The monthly rate is subject to Michigan sales tax, Power Supply Cost Recovery Factor, Energy Optimization Surcharge, and any approved rate changes.

Primary Metering Distribution Service (Nonsubstation)

Nonresidential Members may have the option to be served directly by primary distribution system voltage. The Cooperative will build primary distribution facilities up to an identifiable demarcation point whereupon a meter will be installed. Primary distribution facilities beyond the meter point are the ownership and responsibility of the Member. The Member is responsible for all right-of-way establishment including easements, permitting, and clearing for facilities beyond the demarcation point. The Member is responsible for all system/equipment operations and maintenance, safety, electrical system protection (i.e., fusing), security, reliability, power quality, and compliance with all respective agency regulations for electric service(s) of facilities beyond the demarcation point. The Member is responsible for meeting all industry specifications for design, materials, and construction of the facilities beyond the demarcation point. The Member is responsible for all costs for the design, materials, permitting, easement right-of-way, and construction of the Cooperative's facilities up to and including the metering point of the Cooperative.

Submarine Cable Service to Islands

1. The Cooperative will determine the most practical and economical route to the island with considerations to future development and permit-issuing agencies.
2. The Member will be provided by the Cooperative an estimate for the design, engineering, permits, easements, materials, and installation costs. The Member must pay the Cooperative the estimated cost and all deposits before construction begins.
3. The Cooperative will invoice or credit the Member for any difference between the actual cost of the installation and the estimated cost and the Member must pay the Cooperative for the amount stated in that invoice.
4. A *Submarine Service to Island Permit Deposit* is required to initiate required permit application(s). See Construction Fees and Deposits—Section 1.7. This fee shall also be applied to construction costs.
5. The Cooperative will own and maintain the underwater/submarine cable.
6. The Member will provide, at its cost, all required equipment and operators (such as tugboat, barge, backhoe, and/or excavator), which the Member must coordinate with the Cooperative for transportation and installation of equipment and material, as specified in the job design.

Make-Ready for Pole Attachments

The Member must pay a nonrefundable fee for all Make-Ready pole attachment applications. See Construction Fees and Deposits—Section 1.7. The application shall determine the required nonrefundable *assessment* fee to be paid in advance prior to project planning and development.

1. For projects consisting of 1-10 attachments, the Cooperative will provide the Make-Ready assessment.
2. For projects consisting of more than ten (10) attachments, a Cooperative approved contractor/firm must provide to the Cooperative a Make-Ready assessment and report. The attaching party will assume all costs and responsibility for (and acquiring) the contractor. The Cooperative will review and respond to the attaching party regarding the contractor's assessment and report.

The Cooperative shall provide an invoice of the estimate to the attaching party for any Make-Ready required. The Member must pay that invoice prior to the Cooperative initiating construction. Upon completion of the Make-Ready work, the Cooperative will determine the actual costs of the Make-Ready, and the attaching party will be invoiced or credited for the difference between the original invoice and the actual cost.

The attaching party is required to obtain all necessary easements and permits for their work prior to attaching to Cooperative poles.

Rate Application

Line extensions deemed as residential, nonresidential, commercial, or industrial for the purposes of construction as identified in these rules, does not suggest the type of rate billed for the service. The type of service for the purpose of applying rates shall be defined by the applicable rate tariff.

Section 1.7: Construction Fees and Deposits

Members will pay the following charges related to the Cooperative’s construction policy. The following fees are not all inclusive and do not include custom estimates for design costs, calculated deposits, or project-specific Aid-to-Construction costs. Fees listed here are specifically referenced in the Cooperative’s construction policy. See Construction Policy–Section 1.6 for details.

New Service or Upgrade of Existing Service Application	\$25
Outdoor Protective Lighting (OPL) Application	\$25
Make-Ready Pole Attachment Application	\$25
Service Connection	\$75
Competitive Bidding Job Estimate Fee	\$100
Temporary Service Monthly Fee	\$20
Submarine Service to Island Permit Deposit	\$2,000
Permit Application Deposit	\$1,000

Section 1.8: Member Protections

Data Privacy

1. “Aggregate Data” means any Member Account Information from which all identifying information has been removed so that the individual data or information of a Member cannot be associated with that Member without extraordinary effort.
2. “Anonymized Data” means any Member Data, from which all identifying information has been removed so that the individual data or information of a Member cannot be associated with that Member without extraordinary effort.
3. “Contractor” or “Cooperative Agent” means an entity or person performing a function or service under contract with or on behalf of the Cooperative, including, but not limited to Member service, demand response, energy management, energy efficiency programs, payment assistance, payroll services, bill collection, or other functions related to providing electric and natural gas service.
4. “Member” means a purchaser of electric or internet/telecommunications service that is supplied or distributed by the cooperative for residential or nonresidential purposes.
5. “Member Account Information” means personally identifiable information including Personal Data and Member Usage Data. Member Account Information also includes information received by the Cooperative from the Member for purposes of participating in regulated utility programs, including, but not limited to bill payment assistance, shutoff protection, renewable energy, demand-side management, load management, or energy efficiency.
6. “Member- Usage Data” [or “Consumption Data”] means Member specific gas and electric usage data, or weather adjusted data, including but not limited to ccf, Mcf, therms, dth, kW, kWh, voltage, var, or power factor, data usage, browsing history and other information that is recorded by the electric or by other means for the Cooperative and stored in its systems.
7. “Informed Member Consent” means, in the case where consent is required: the Member- consumer is advised of the (1) data or information to be collected and allowable uses of that data or information by the party seeking consent; (2) the frequency of data or information release and the duration of time for which the consent is valid; and (3) process by which the Member may revoke consent. In no case shall silence by the Member ever be construed to mean Informed Member Consent. Member consent must be documented and may be in writing, electronically, or through recording of an oral communication.
8. “Personal Data” [or “Personally Identifiable Information”] means specific pieces of information collected or known by the Cooperative that can be used to identify or trace to a specific individual and that merit special protection including, but not limited to, the standard types of positive identification information used to establish an account. Personal Data [Personally Identifiable Information] includes, but is not limited to, name, address, birth date, telephone number, electronic mail address, Social Security Number, financial account numbers, driver’s license number, credit reporting information, bankruptcy or probate information, health information, network, or Internet protocol address.
9. “Primary Purpose” means the collection, use, or disclosure of information collected by the Cooperative or supplied by the Member where there is an authorized business need or emergency response in order to: (1)

provide, bill, or collect for, regulated electric or natural gas service; (2) provide for system, grid, or operational needs; (3) provide services as required by state or federal law or as specifically authorized in the Cooperative's approved tariff or; (4) engage in Member satisfaction surveys, plan, implement, or evaluate, energy assistance, demand response, energy management, renewable energy or energy efficiency programs by the Cooperative or under contract with the Cooperative, under contract with the Commission, or as part of a Commission- authorized program conducted by an entity under the supervision of the Commission, or pursuant to state or federal statutes governing energy assistance.

10. "Secondary Purpose" means any purpose that is not a Primary Purpose.
11. "Standard Usage Information" means the usage data that is made available by the electric or gas utility to all similarly situated Members on a regular basis, delivered by the electric or gas utility in a standard format.
12. "Third-party" means a person or entity that has no contractual relationship with the Cooperative to perform services or act on behalf of the Cooperative.
13. "Weather Adjusted Data" means gas or electric consumption data for a given period that has been normalized using stated period's heating or cooling degree days.
14. "Written consent" means a signed form with the Member's signature received by the Cooperative through mail, facsimile or email. A Member may also digitally sign the form that is transmitted to the Cooperative.

Collection and Use of Data and Information

1. The Cooperative, its Contractor or Cooperative Agent collects Member Account Information as necessary to accomplish Primary Purposes only. Informed Member Consent is NOT necessary for Primary Purposes.
2. Informed Member Consent is necessary before collection or use of Member Account Information for a Secondary Purpose.
3. The Cooperative will not sell Member Account Information, except in connection with sales of certain aged receivables to collection firms for purposes of removing this liability from its accounts, unless it receives Informed Member Consent.

Disclosure Without Member Consent

1. The Cooperative shall disclose Member Account Information when required by law. This includes law enforcement requests supported by warrants or court orders specifically naming the Members whose information is sought, and judicially enforceable subpoenas. The provision of such information will be reasonably limited to the amount authorized by law or reasonably necessary to fulfill a request compelled by law.
2. Informed Member Consent is not required for the disclosure of Member name and address to a provider of appliance repair services in compliance with MCL 460.10a(9)(a).
3. Informed Member Consent is not required for the disclosure of Aggregated Data.

Disclosure to Cooperative Agents and Contractors

1. The Cooperative shall disclose only the necessary Member Account Information to Cooperative Agents and Contractors working on behalf of the Cooperative for Primary Purposes and any other function relating to providing electric or natural gas services without obtaining Informed Member Consent.
2. Contracts between the Cooperative and its Cooperative Agents or Contractors specify that all Cooperative Agents and Contractors are held to the same confidentiality and privacy standards as the Cooperative, its employees, and its operations. These contracts also prohibit Cooperative Agents or Contractors from using any information supplied by the Cooperative for any purpose not defined in the applicable contract.
3. The Cooperative requires its Cooperative Agents and Contractors who maintain Member Account Information to implement and maintain reasonable data security procedures and practices appropriate to the private nature of the information received. These data security procedures and practices shall be designed to protect the Member Account Information from unauthorized access, destruction, use, modification, or disclosure. The data security procedures and practices adopted by the Contactor or Cooperative Agent shall meet or exceed the data privacy and security policies and procedures used by the Cooperative to protect Member Account Information.
4. The Cooperative requires Cooperative Agents and Contractors to return or destroy any Member-consumer Account Information that it maintained and that is no longer necessary for the purpose for which it was transferred.
5. The Cooperative maintains records of the disclosure of Member data to Cooperative Agents and Contractors in accordance with Cooperative record retention policies and Commission rules. These records include all contracts with the Cooperative Agent or Contractor and all executed non-disclosure agreements.

Member Access to Data

1. The Member has a right to know what Member Usage Data the Cooperative maintains about the Member. The Cooperative shall not provide data to a Member which the Cooperative considers proprietary or used for internal Cooperative business. Consistent with R 460.153 (1), a Member may request usage data by calling the Cooperative at 1-800-562-4953, writing the Cooperative or by submitting an inquiry on the Cooperative website. A Member calling with the request must be listed on the account and be able to authenticate their identity. The signature on a written request must be in the name of the Member listed on the account. The Cooperative's website will allow for submission of electronic and digitally signed requests as Cooperative resources and technology are improved. Instructions for requesting usage data will be published on the Cooperative website and in annual notices of privacy policies. The Cooperative will annually notify Members that they may request energy usage, The Cooperative will make a reasonable effort to respond to requests for this information as soon as practicable but no later than within 14 calendar days of being requested by the Member or a third party authorized by the Member. The Cooperative will provide Member Usage Data in a readily accessible format which will be either comma-separate value (CS) format or Binary Interchange File Format (BIFF). The Consumption Data may be delivered through email or by US Mail. Once the Cooperative receives Informed Consent, the Cooperative is not responsible for loss, theft, alteration, or misuse of the data after the information has been transferred to the Member or the designated Third Party.

2. Members have the right to share their own Member Account Information with third parties of their choice to obtain services or products provided by those third parties. These services or products may include, but are not limited to, in-home displays, energy audits, or demand response programs.
3. Members have the opportunity to request corrections or amendments to Member- consumer Account Information that the Cooperative maintains.
4. Fulfilling certain requests for data in accordance with the provisions of this tariff is consistent with the provision of normal utility service to Members. When the data requested is Standard Usage Information, the request will be fulfilled without charge. Some requests for information extend beyond Standard Usage Information. Fulfilling these requests requires special data processing that is not a part of normal utility service and results in expenses that would not otherwise be incurred. Such requests are fulfilled at the discretion of the Cooperative within the parameters of this Member Data Privacy tariff. The costs of fulfilling any special requests shall be borne solely by the Member, or third party if deemed appropriate, and be based on the specifics of the data request and the associated costs of developing, processing, and transmitting the requested data.
5. A Member may request that his or her Member Account Information be released to a third party of the Member's choice by calling 1-800-562-4953 or completing a written Informed Member Consent. A written Informed Member Consent may be obtained at the Cooperative's website at <https://www.cloverland.com>. The Cooperative's website will allow for submission of electronic and digitally signed requests as Cooperative resources and technology are improved. Once there has been positive verification or the Cooperative receives the written and signed Informed Member Consent from the Member, the Cooperative will make a reasonable effort to respond to requests for this information as soon as practicable but no later than within 14 calendar days. The Cooperative is not responsible for loss, theft, alteration, or misuse of the data by third parties or Members after the information has been transferred to the Member or the Member's designated third party.

Member Notice of Privacy Policies

1. New Members receive a copy of this data privacy tariff upon the initiation of utility service from the Cooperative. Existing Members receive a copy of the privacy policy once per year by whatever method is used to transmit the bill or by publication in a periodical issued by the cooperative and whenever the privacy policy is amended.
2. Notice of the Cooperative's privacy policies will be made available and is prominently posted on the Cooperative's website. The notice includes a Member service phone number and Internet address where Members can direct additional questions or obtain additional information.

Limitation of Liability

The Cooperative and each of its directors, officers, affiliates, and employees that disclose Member Information, Member Usage Data, Personal Data or Aggregated Data to Members, Cooperative Agents, or Contractors, as provided in this tariff, shall not be liable or responsible for any claims for loss or damages resulting from such disclosure.

Section 1.9: Emergency Electrical Procedures

Emergency electrical operating procedures may be necessary if there is a shortage (or curtailment requirement) of the electrical energy supply to meet the demands of Members in the electrical service area of the Cooperative. It is recognized that such deficiencies can be short term (a few hours) or long-term (more than a few hours to days) in duration, and, in view of the difference in nature between short and long-term deficiencies, different and appropriate procedures shall be adopted for each.

Essential health and safety **identified** Members are given special consideration in these procedures which shall, insofar as the situation permits, include the following types of Members:

1. "Governmental Detention Institutions," which will be limited to those facilities used for the detention of persons.
2. "Fire Stations," which will be limited to attended, publicly owned first-responding agency facilities housing mobile firefighting apparatus.
3. "Hospitals," which will be limited to institutions providing medical care to patients and where surgical procedures are performed.
4. "Water Pumping Plants," which will be limited to publicly owned facilities essential to the supply of potable water (drinking water) to a community.
5. "Sewage Plants," which will be limited to publicly owned facilities essential to the collection, treatment, or disposal of a community's sewage.
6. Radio and television stations that are utilized for the transmittal of emergency messages and public information broadcasts related to these procedures.

Although these Members may be given special consideration during procedures inclusive of manual load shedding provisions, they are encouraged to install emergency generation equipment if continuity of service is essential to their operations and/or business. It is known that some fire departments, hospitals, and other related facilities in parts of Michigan have portable generation equipment available. Maximum use should be made of these facilities. In the case of Members supplied from two utility sources, only one source will be given special consideration. Other Members who, in their opinion, have 'critical' equipment or circumstances, should install emergency stand-by battery systems or stand-by electrical generating facilities appropriately rated for the equipment being served. All installations of Member stand-by facilities must meet all applicable local, state, or national standards and codes (i.e., ANSI, IEEE, UL, NEC, NFPA, etc.).

The MPSC will be promptly advised of the nature, time and duration of all implemented emergency conditions and procedures which affect normal service to Members.

As may be appropriate in accordance with the nature of the occurring or anticipated emergency, the Cooperative will initiate the following procedures.

Sudden or Unanticipated Short-Term Capacity Shortage

In the event of a sudden decline of the frequency (from 60 Hz) on the system or a sudden breakup which isolates all or parts of the system or power pool from other electric systems with which it is interconnected, and which results in the area so isolated being deficient in electric generation, with consequent rapid decline in frequency:

1. Every effort will be made to maintain at least partial service to the system by means of predetermined load shedding of selected distribution circuits. The Cooperative will make every reasonable effort to provide continuous service to health and safety identified Members.
2. With limited substantial generation of its own and being to a great extent dependent on outside sources for energy, the Short-Term, Sudden, Unanticipated Capacity Shortage may result in temporary complete loss of service to the Cooperative. However, the Cooperative will make every effort to resume service to Members as soon as practical.

Anticipated or Predictable Short-Term Capacity Shortages in the Cooperative System

In the event an emergency condition of short-term duration is anticipated or predicted which cannot be relieved by sources of generation within or outside the system serving as the Cooperative source of energy, the following steps will be taken at the appropriate time and in the order appropriate to the situation:

The internal demand of substations, offices, and other premises owned by the Cooperative will be reduced to the largest extent consistent with maintaining continuity of service.

1. Electric service will be interrupted to loads rendered "interruptible" under interruptible tariffs, contracts, or agreements.
2. Voluntary load reductions will be requested of large commercial and industrial Members by procedures established in their respective load management plans.
3. Voluntary load reductions will be requested of all other Members through appropriate media appeals.
4. Request Large Power or Industrial Members with emergency stand-by generation to bring units online.
5. Load shedding of firm Member loads will be initiated. Service so interrupted shall be of selected distribution circuits throughout the Cooperative area. Such interruptions shall be consistent with the criteria established for health and safety identified Members and will, insofar as practicable, be alternated among circuits. Records will be maintained to ensure that during subsequent capacity shortages, service interruptions may be rotated throughout the Cooperative service area in an equitable manner.

Long-Term Capacity or Fuel Shortage

The following actions will be implemented until it is determined by the Cooperative's energy suppliers that any or all actions may be terminated. The public will be immediately advised through appropriate media sources of the implementation of these procedures. If an emergency situation of long-term duration arises out of a long-term capacity or fuel shortage (or curtailment requirement) in the region which cannot be relieved by sources of generation within or outside the system, the following actions will be taken in the order noted as required:

1. Curtail use during hours of maximum system demand of non-essential energy on premises controlled by the Cooperative including parking and large area lighting and interior lighting, except lighting required for security and safety, and other uses of energy both during and outside normal business hours.
2. Initiate voluntary energy curtailment during hours of maximum system demand of all Members by requesting through mass communication media, voluntary curtailment by all Members of a minimum of ten percent of their electric use. This use will include lighting, air conditioning, heating, manufacturing processes, cooking, refrigeration, clothes washing and drying, and any other loads that can be curtailed or deferred to off-peak hours.
3. Implement procedures for interruption of selected distribution circuits during the period of maximum system demand on a rotational basis in accordance with specified load reduction amounts minimizing interruption to facilities which are essential to the public health and safety. The length of an interruption of any selected circuit should not exceed four (4) hours and the total interruption should not exceed eight (8) hours in any 24-hour period without prior notification to the MPSC.

If the above actions are made necessary because of a long-term fuel shortage, they will be continued in the order taken to maintain as nearly as possible a 30-day fuel supply.

Emergency Procedures of Wholesale Suppliers

Where appropriate, the emergency procedures will be the same as those placed in effect by the Cooperative's wholesale for resale energy supplier.

Section 1.10: Pole Attachments

Availability

The Cooperative may permit an attaching party (as defined in PA 3 of 1939, MCL 460.6g, paragraph 1(a)) to make attachments to its poles pursuant to establishing a Cooperative defined license agreement between the Cooperative and the attaching party.

Terms and Conditions

In addition to establishing a Cooperative defined license agreement, attaching parties **must** obtain all necessary easements, permits, and authorizations prior to attaching facilities to Cooperative poles that occupy public or private right-of-way. **(The existence of Cooperative easements and permits do NOT provide easement or permit to any attaching parties to attach to Cooperative poles).**

All attaching parties shall abide by the Make-Ready for Pole Attachments rules as defined in the Cooperative's Rate Book for Electric Service: Rules & Regulations, Section 1.6: Construction Policy.

This tariff shall not apply to attachments made or proposed to be made by utilities (as defined in, PA 3 of 1939, MCL 460.6g, paragraph 1(d)) to the facilities of the Cooperative.

Rate

The annual pole attachment rate is defined by the respective license agreement established between the Cooperative and the attaching party.

Section 1.11: Administrative Rules Index

The following list of administrative rules that apply to electric utilities as governed by the Michigan Public Service Commission (MPSC), unless otherwise deemed not applicable to Member-Regulated electric utilities per the Electric Cooperative Member-Regulation Act 167 of 2008. For complete rules, visit the State of Michigan website at Michigan.gov/mpsc.

Technical Standards for Electric Service

Underground Electric Lines

Electrical Supply and Communication Lines and Associated Equipment

Animal Contact Current Mitigation (Stray Voltage)

Interconnection and Distributed Generation Standards

Service Quality and Reliability Standards for Electric Distribution Systems

Mergers and Acquisitions

Administrative Hearing Rules / Practice and Procedure Before the Commission

Filing Procedures for Electric, Wastewater, Steam and Gas Utilities

Preservation of Records of Electric, Gas and Water Utilities

Uniform System of Accounts for Major and Non-Major Electric Utilities

Rate Case Filing Requirements for Major Electric Utilities

Code of Conduct



Rate Book for Electric Service: Rate Schedules & Tariffs (Part 2 of 2)

These rate schedules, tariffs and associated policies have been adopted by the Cooperative and have been approved and issued under the authority of Cloverland Electric Cooperative's Board of Directors. This document is available on Cloverland Electric Cooperative's website—cloverland.com. A copy is also available at each of the Cooperative's offices. This document applies to the entire territory served with electricity by Cloverland Electric Cooperative.

Rules and Regulations are a supplement to these rate schedules and tariffs and can be found in Cloverland Electric Cooperative's Rate Book for Electric Service—Rules and Regulations (Part 1 of 2).

This rate book supersedes and cancels prior rate books—No. 5 of Cloverland Electric Cooperative, pages D-1.00 to D-1.02, D-1.03, D-7.00 to D-22.02, D-24.00 and No. 9 of Edison Sault Electric Company, pages D-1.00 to D-15.00, D-30.00 to D-32.00, D-33.00, and D-34.00.

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Section IX: Residential Service Rate

RESIDENTIAL SERVICE
SCHEDULE RES1
(CODE: RES1)

Availability

To Members of the Cooperative for all normal residential home and single-phase domestic farm uses, subject to the established rules and regulations of the Cooperative. Members having small businesses on their residential premises may take service under this schedule provided such business use does not exceed 25 percent of the energy usage. This rate replaces the FH and R-1 rates.

Type of Service

Single-phase, alternating current, 60 hertz, approximately (nominally) 120/240 volts.

Monthly Rate

Facility Charge:	\$24.00 per month
Energy Charge:	\$0.04330 per kwh
Energy Capacity Charge:	\$0.04873 per kwh
Demand Charge:	\$0.93 per kW
Energy Optimization Surcharge:	\$0.00197 per kwh

This rate is subject to the Energy Optimization Surcharge as shown.

Demand Charge

Demand is determined by utilizing the Member's single highest one hour reading in the month during the (peak) hours starting at 8:00 a.m. and ending at 9:00 p.m.

Minimum Charge

The minimum monthly charge under this schedule shall be the Facility Charge.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Section IX: Residential Service Rate (Continued)

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Tax Adjustments

Bills shall be increased within the limits of political subdivisions/municipalities, 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.

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.

Terms of Service

Terms or conditions of service under this schedule shall be governed by the Cooperative's standard rules and regulations which are on file with the Michigan Public Service Commission.

Section X: General Service Rate

GENERAL SERVICE
SCHEDULE GS
(CODE: GEN1; GEN3)

Availability

To any Member of the Cooperative for all non-residential uses, subject to the established rules and regulations of the Cooperative. Not applicable to standby and/or auxiliary service except as provided in the Cooperative's standard rules and regulations. Three-phase services must have a billing demand of not more than **250 kW**.

Type of Service

Single-phase or three-phase, alternating current, 60 hertz, at the Cooperative's available secondary voltages.

Monthly Rates

Facility Charge (Single Phase):	\$26.63 per month
Energy Charge:	\$0.06658 per kWh
Energy Capacity Charge:	\$0.02992 per kWh
Demand Charge:	\$1.67 per kW
Energy Optimization Surcharge:	\$3.37 per meter/per month
Facility Charge (Three Phase):	\$41.03 per month
Energy Charge:	\$0.06633 per kWh
Energy Capacity Charge:	\$0.02917 per kWh
Demand Charge:	\$2.02 per kW
Energy Optimization Surcharge:	\$3.37 per meter/per month

These rates are subject to the Energy Optimization Surcharge as shown.

Demand Charge

Demand is determined by utilizing the Member's single highest one hour reading in the month during the (peak) hours starting at 8:00 a.m. and ending 9:00 p.m.

Minimum Charge

The minimum monthly charge under this schedule shall be the Facility Charge, plus the Energy Optimization Surcharge.

Power Supply Cost Recovery Clause

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Section X: General Service Rate (Continued)

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Tax Adjustments

Bills shall be increased within the limits of political subdivisions/municipalities 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.

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.

Terms of Service

Terms or conditions of service under this schedule shall be governed by the Cooperative's standard rules and regulations which are on file with the Michigan Public Service Commission.

Section XI: Large Power Service Rate

LARGE POWER SERVICE
SCHEDULE LP
(CODE: LP)

Availability

To any Member of the Cooperative requiring three-phase service, subject to the Cooperative's rules and regulations, when the billing demand is not less than **250 kW** and not more than **1,000 kW**.

Members whose capacity requirements exceed 1,000 kW, or whose service requirements involve unusual Cooperative investments, may be required to enter into a special contract.

Not applicable to standby and/or auxiliary service except as provided in the Cooperative's standard rules and regulations.

Type of Service

Three-phase, alternating current, 60 hertz, at the Cooperative's available secondary voltages.

Monthly Rate

Facility Charge:	\$141.01 per month
Energy Charge:	\$0.06726 per kWh
Energy Capacity Charge:	\$0.00824 per kWh
Demand Charge:	\$11.51 per kW
Energy Optimization Surcharge:	\$183.99 per meter/per month

This rate is subject to the Energy Optimization Surcharge as shown.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Demand Charge

The billing demand shall be the maximum kilowatts (kW) supplied during the fifteen (15) minute period of usage during the billing period.

The Member agrees to maintain a unity power factor as nearly as practicable. Demand charges will be adjusted for average power factors lower than 90%. Such adjustment shall be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

Section XI: Large Power Service Rate (Continued)

Minimum Charge

The minimum monthly charge shall be the Facility Charge included in the rates, plus the Energy Optimization Surcharge amount as shown.

Primary Service

A Member may elect to furnish, install, own, and maintain their own transformation facilities and to take service at the Cooperative's primary distribution voltage. In such event, the Cooperative will install primary metering and ALL equipment beyond the primary meter will be owned, maintained, and serviced by the Member. See Construction Policy for additional requirements.

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan states sales tax will be added to all billings whenever applicable.

Tax Adjustments

Bills shall be increased within the limits of political subdivisions/municipalities which levy special taxes, licenses 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.

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.

Section XII: Large Power Mining Operation Rate

LARGE POWER MINING OPERATION
SCHEDULE LPMO
(CODE: LPMO, 914)

Availability

This rate is available only to Members with mining operations which are primary service loads.

Mining operations is defined as mine development, drilling, blasting, extraction, milling, crushing, screening, or sizing of minerals at a mine; maintenance and repair of mining equipment; and associated haulage of materials within the mine from these activities.

Type of Service

Three-phase, alternating current, 60 hertz, at the Cooperative's available voltages.

Monthly Rate

Facility Charge:	\$265.00 per month
Demand Charge:	\$6.22 per kW
Demand Capacity:	\$8.78 per kW
Energy Charge:	\$0.06314 per kWh
Energy Optimization Surcharge:	\$183.99 per meter/per month

This rate is subject to the Energy Optimization Surcharge.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member for any period of thirty (30) consecutive minutes during the month for which the bill is rendered, as indicated, or recorded by the demand meter installed by seller to make such a determination and adjusted for power factor as provided below.

Minimum Charge

The minimum monthly charge under this schedule shall be the Facility Charge, plus the Energy Optimization Surcharge.

Power Factor Adjustment

The Member agrees to maintain a unity power factor as nearly as practicable. Demand charges will be adjusted for average power factors lower than 90%. Such adjustment shall be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

Section XII: Large Power Mining Operation Rate (Continued)

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all bills, where applicable.

Tax Adjustments

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.

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.

Section XIII: Large Power Mining Operation CHOICE Rate

LARGE POWER MINING OPERATION RATE-CHOICE
SCHEDULE LPMO-C
(CODE: LPMO-C)

Availability

Subject to the rules and regulations of the Cooperative and its Retail Access Service Tariff, this schedule is available to Members taking service under the Cooperative's Large Power Mining Operation rate (Schedule LPMO). 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:

- 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 take service under the Cooperative's Schedule LPMO 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

Three-phase, alternating current, 60 hertz, at the Cooperative's available voltages.

Rate

Facility Charge:	\$200.00 per month
Demand Charge:	\$2.09 per kW
Distribution Charge:	\$0.02662 per kWh
Energy Optimization Surcharge:	\$183.00 per meter/per month

This rate is subject to the Energy Optimization Surcharge as shown.

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member for any period of thirty (30) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by the demand meter installed by seller to make such determination and adjusted for the power factor as provided below.

Section XIII: Large Power Mining Operation CHOICE Rate (Continued)

Power Factor Adjustment

The Member agrees to maintain a unity of power factor as nearly as practicable. Demand charges will be adjusted for average power factors lower than 90%. Such adjustment shall be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

Minimum Monthly Charge

The minimum monthly charge shall be the Facility Charge plus the Demand Charge times 1 MW, plus the Energy Optimization Surcharge.

Metering

Subject to the terms and conditions of the Retail Access Service Tariff, the Member shall be responsible for any associated communication systems such as telephone lines or other related equipment between the Cooperative, the Member, and the third party.

Terms of Payment

- A. Billings are due on the due date set forth on the bill.
- B. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member, and the third party.
- C. A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all bills, where applicable.

Tax Adjustment

Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other Member from being compelled to share such local increases.

Section XIII: Large Power Mining Operation CHOICE Rate (Continued)

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.

Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member and its AES Supplier or third parties. Furthermore, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member and any third party.

Transition Charge

Service under this rate may be subject to a transition charge.

Rules and Regulations

Service is governed by the Cooperative's standard rules and regulations and the Cooperative's Retail Access Service Tariff.

Section XIV: Primary Substation Distribution Service Rate

PRIMARY SUBSTATION DISTRIBUTION SERVICE
SCHEDULE PSDS
(CODE: PSDS, 922)

Availability

This rate is available only to Member with primary service loads of 1,000 kW or greater to be served directly from a distribution substation or loads of at least 500 kW taken directly from the transmission system at a voltage of 69 kV or greater.

Type of Service

Three-phase alternating current, 60 hertz, at the Cooperative's available voltages.

Monthly Rates

Facility Charge*:	\$200.00 per month
Demand Capacity	\$15.00 per kW
Energy Charge:	\$0.04899 per kWh
Energy Capacity:	\$0.00503 per kWh
Energy Optimization Surcharge:	\$183.99 per meter/per month

*Unless specified differently in the electric service agreement.

This rate is subject to the Energy Optimization Surcharge as shown.

Minimum Charge

The minimum monthly charge shall be the greater of the Facility Charge included in the electric service agreement, plus the Energy Optimization Surcharge, or \$3,675.00 per month, plus the Energy Optimization Surcharge.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Determination of Billing Demand

This billing demand shall be the maximum kilowatt demand established by the Member for any period of thirty (30) consecutive minutes during the month for which the bill is rendered, as indicated, or recorded by the demand meter installed by seller to make such determination and adjusted for power factor as provided below.

Section XIV: Primary Substation Distribution Service Rate (Continued)

Power Factor Adjustment

The Member agrees to maintain a unity of power factor as nearly as practicable. Demand charges will be adjusted for average power factors lower than 90 percent. Such adjustment shall be made by increasing the measured demand 1 percent for each 1 percent by which the average power factor is less than 90 percent lagging.

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Tax Adjustments

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 Member from being compelled to share such local taxes.

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.

Section XV: Primary Substation Distribution Service CHOICE Rate

PRIMARY SUBSTATION DISTRIBUTION SERVICE RATE – CHOICE
SCHEDULE PSDS-C
(CODE: PSDS-C)

Availability

Subject to the rules and regulations of the Cooperative and its Retail Access Service Tariff, this schedule is available to Members taking service under the Cooperative’s Primary Substation Distribution 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:

- 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 or 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

Three-phase, alternating current, 60 hertz, at the Cooperative’s available secondary voltages.

Rate

Facility Charge:*	\$200.00 per month
Demand Charge:	\$2.69 per kW Variable
Distribution Charge:	\$0.01059 per kWh
Energy Optimization Surcharge:	\$183.99 per meter/per month

*Unless specified differently in the electric service agreement.

This rate is subject to the Energy Optimization Surcharge as shown.

Section XV: Primary Substation Distribution Service CHOICE Rate (Continued)

Minimum Monthly Charge

The minimum charge shall not be less than the Facility Charge plus the Demand Charge times 1 MW, plus the Energy Optimization Surcharge. 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.

Determination of Billing Demand

The billing demand shall be the maximum kilowatt demand established by the Member for any period of thirty (30) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by the demand meter installed by seller to make such determination and adjusted for the power factor as provided below.

Power Factor Adjustment

The Member agrees to maintain a unity of power factor as nearly as practicable. Demand charges will be adjusted for average power factors lower than 90%. Such adjustment shall be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 90% lagging.

Metering

Subject to the terms and conditions of the Retail Access Service Tariff, the Member shall be responsible for any associated communication systems such as telephone lines or other related equipment between the Cooperative, the Member, and the third party.

Terms of Payment

- A. Billings are due on the due date set forth on the bill.
- B. The Cooperative will not collect any monies on behalf of any alternate power supplier, retailer, or other third party without a written agreement between the Cooperative, the Member, and the third party.
- C. A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Section XV: Primary Substation Distribution Service CHOICE Rate (Continued)

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 increases.
- 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 to all bills, where applicable.

Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member and any third party.

Transition Charge

Service under this rate may be subject to a transition charge.

Rules and Regulations

Service is governed by the Cooperative's standard rules and regulations and the Cooperative's Retail Access Service Tariff.

Section XVI: Outdoor Protective Lighting

OUTDOOR PROTECTIVE LIGHTING SERVICE
SCHEDULE PL2
(CODE: OPL)

Availability

To Members of the Cooperative for outdoor protective lighting service on premises on which the Member is already taking service under another rate schedule. This rate replaces the Outdoor Protective Lighting Service O-L, PL, and PL-1 schedules.

Type of Service

Dusk-to-dawn exterior lighting controlled by photo-sensitive devices, every night, and all night for approximately 4,200 hours per year.

Exterior lighting from secondary or service overhead lines.

Monthly Rates: Legacy Outdoor Protective Lighting

Members utilizing outdoor protective lighting for legacy devices may continue to do so, as long as the replacement bulbs and fixtures remain available to the Cooperative. Discontinuation of the manufacturing of devices or bulbs may require the member to upgrade to an LED fixture billed at the current rate for new devices or choose to have the device removed permanently. In such cases, the installation fee may be waived in certain circumstances. Discontinuation to service legacy devices is at the discretion of the Cooperative.

Device Type	Description	kWh per month	Charge per light/per month
1	175-watt Mercury Vapor	80	\$13.39
2	175-watt Mercury Vapor w/pole	80	\$15.35
3	400-watt Mercury Vapor	180	\$21.99
4	400-watt Mercury Vapor w/pole	180	\$23.94
5	100-watt High Pressure Sodium	45	\$10.24
6	100-watt High Pressure Sodium w/pole	45	\$12.20
9	250-watt High Pressure Sodium w/pole	95	\$19.41
10	250-watt High Pressure Sodium	95	\$17.45

The legacy devices noted above are no longer available for new services.

If bulbs are no longer available or the fixture is damaged beyond repair, the Member may elect to remove the light permanently or agree to an LED replacement at no cost to the Member.

If the legacy fixture is operable and the Member elects to upgrade to an LED, an installation and fixture charge may apply.

Section XVI: Outdoor Protective Lighting (Continued)

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 rate schedule. With respect to mercury vapor lamp installations, rates apply to existing luminaires only and are not open to new business.

Monthly Rates: New Outdoor Protective Lighting

Available to Members desiring outdoor protective lighting.

Device Type	Description	kWh per month	Charge per light/per month
7	60-watt LED*	15	\$10.39
8	60-watt LED w/pole*	15	\$12.35
32	164-watt LED**	57	\$12.12
33	164-watt LED w/pole**	57	\$14.07

Devices requiring a new pole and one span of new secondary services are denoted as “w/pole” and include the costs of pole, wire, and installation.

*A light fixture fee of \$215 is required and must be paid prior to installation.

**A light fixture fee of \$450 is required and must be paid prior to installation.

Terms and Conditions

Members must agree to enter into an agreement with the Cooperative whereby the Member guarantees a minimum of sixty (60) months’ of payments. However, should removal occur before sixty (60) months have elapsed, the Member will be required to pay the balance of the monthly fees, unless the new Member moving onto the property agrees to honor the agreement.

The Cooperative will own, operate, and maintain the lighting fixtures. Burned out lamps must be reported by the Member, and the Cooperative will replace the lamp 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.

When more than one new pole or more than one span of new secondary facilities are required, the cost of labor and material for the additional installation will be charged to the Member.

Bills are rendered in equal monthly installments without provision for partial or seasonal service.

Outdoor protective lighting is primarily intended for installation on existing utility-owned poles suitable for lighting and served from existing secondary facilities. All lights installed on new or existing poles will be set at points satisfactory to the Member and the Cooperative. Lights cannot be installed on Member-owned poles or other equipment owned by the Member.

Where special purpose facilities are required, the Member shall pay in advance for material and installation costs of such additional facilities. Special purpose facilities are described as line extensions, transformers, and any additional poles without lights.

Section XVI: Outdoor Protective Lighting (Continued)

An application and \$25 processing fee is required.

Pole attachment rates may be applicable for installations on other utility-owned poles.

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than 21 days following the date of mailing. See Member Standards and Billing Practices for more information.

Energy Optimization

This rate schedule is subject to the Energy Optimization Surcharge.

Power Supply Cost Recovery Clause and Factor

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Tax Adjustments

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.

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.

Section XVII: Street Lighting

STREET LIGHTING SERVICE
SCHEDULE SL
(CODE: STL, STL8)

Availability

Available to municipalities and political subdivisions for street lighting service with the condition that said municipalities, etc., become Members of the Cooperative. This rate replaces the Municipal Lighting Service (ML) schedule.

Type of Service

Streetlights are defined as lighting for public streets and roadways paid for by cities, villages, townships, federally recognized tribal entities or private subdivisions (herein known collectively as a municipality). Streetlights are billed on a monthly rate per fixture and installed on wooden utility poles.

Street lighting service along streets, roads, and areas where the Cooperative has an existing overhead distribution system to be served from secondary or service lines.

Streetlights are controlled by photo-sensitive devices and operate every night, and all night for approximately 4,200 hours per year.

The Cooperative furnishes, installs, and owns all equipment, including poles, overhead lines, and luminaries suspended from wood poles. The Cooperative supplies all energy and replacement lamps.

Terms and Conditions

Burned out lamps must be reported by the Member, and the Cooperative will undertake to replace the lamp 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.

When additional secondary facilities are required, the cost of labor and material for the additional installation will be charged to the Member.

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 rate schedule. Mercury vapor lamp rates apply to existing luminaires only and are not open to new business.

Pole attachment rates maybe applicable for installations on other utility-owned poles.

Monthly Rate: Legacy Street Lighting

Members utilizing street lighting for legacy devices may continue to do so if the replacement bulbs and fixtures remain available to the Cooperative. Discontinuation of the manufacturing of devices or bulbs, may require the member to upgrade to an LED fixture billed at the current rate for new devices or choose to have the device removed permanently. In such cases, the installation fee may be waived in certain circumstances. Discontinuation to service legacy devices is at the discretion of the Cooperative.

Section XVII: Street Lighting (Continued)

Device Type	Description	kWh per month	Charge per light/per month
11	400-watt High Pressure Sodium	150	\$21.99
12	250-watt High Pressure Sodium	95	\$17.45
13	150-watt High Pressure Sodium	55	\$10.24
14	100-watt High Pressure Sodium	42	\$10.24
15	400-watt Mercury Vapor	136	\$21.99
16	250-watt Mercury Vapor	88	\$17.45
17	175-watt Mercury Vapor	64	\$13.39
18	2,500 Lumen Incandescent	57	\$10.24

Monthly Rate: New Street Lighting

Available to Members desiring street lighting services.

Device Type	Description	kWh per month	Charge per light/per month
31	60-watt LED*	15	\$10.39
34	164-watt LED**	57	\$12.12

*A streetlight fixture fee of \$285 (includes a standard 4-ft or 6-ft arm) is required and must be paid prior to installation.

**A streetlight fixture fee of \$520 (includes a standard 4-ft or 6-ft arm) is required and must be paid prior to installation.

Arms in excess of 6-ft will be billed to the Member. Any materials in addition to the fixture and standard arm will be billed to the Member in addition to the fixture fee.

Energy Optimization Surcharge

These rates are subject to the Energy Optimization Surcharge.

Power Supply Cost Recovery

These rates shall be subject to a Power Supply Cost Recovery Factor.

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than twenty-one (21) days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Section XVII: Street Lighting (Continued)

Tax Adjustments

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 Member from being compelled to share such local taxes.

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.

Section XVIII: Renewable Energy Rider

RENEWABLE ENERGY RIDER

Availability

Available to those Members who are billed monthly and elect to pay the renewable energy rider to obtain 100% of their electricity from renewable generating sources. Members must elect to be served under this rider. Once a Member elects for renewable energy, service will continue at their applicable rate schedule plus the renewable energy rider until the Member terminates the enrollment.

Rate

In addition to the charges from the applicable rate schedule, there will be a renewable charge per kWh as follows:

<u>Renewable Percentage</u>	<u>Adder</u>
100%	1.22 cents per kwh

Terms of Service

This rider is for Members who desire to have a greater percentage of their electricity generated from renewable resources, such as wind, solar, water, biomass and geothermal.

Conditions of Delivery

In addition to the rate above, all rates and conditions of delivery of the respective rate schedule under which the Member is served are applicable. The Cooperative will retire Renewable Energy Credits in an amount equal to 100% of the consumed energy of a Member (rounded up to the nearest MWh) that elects the Renewable Energy Rider.

Section XIX: Energy Optimization

ENERGY OPTIMIZATION PROGRAM CLAUSE

This clause was permitted, 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. This charge was originally approved January 5, 2016 and was effective for bills rendered on and after January 1, 2016 and was issued under the authority of the Michigan Public Service Commission on December 22, 2015 in case U-17781.

The Cooperative’s obligation to offer programs under 2008 PA 295, as amended, expired January 1, 2022, however, the Board of Directors desired to continue to offer beneficial existing and new programs, and to continue to charge existing program surcharges to fund the programs along with existing program reserves.

The Cooperative has offered to Members Energy Optimization and Energy Waste Reduction Programs consistent with 2008 PA 295, as amended; and the programs have been beneficial to Members and have proven to be cost effective.

On July 27, 2021, the Board of Directors approved continuation of the programs and program surcharges and authorized the use of program surcharge revenues and reserves to fund the existing and new programs in the future as proposed by management and directs management to provide annual reports to the Board of Directors on program offerings and effectiveness. The rates remained unchanged.

An Energy Optimization cost reconciliation shall be conducted annually. The approved Energy Optimization surcharges are shown below.

Rate

Rate Schedule	\$/kWh
Schedule RES1 –Residential Service	\$0.00197
Schedule PL2 – Outdoor Protective Lighting Service	\$0.13 per light
Schedule SL – Street Lighting Service	\$0.13 per light
Schedule EV – Electric Vehicle Rate	\$0.00197
Rate Schedule	\$/meter/month
Schedule GS – General Service	\$3.37
Schedule LP – Large Power Service	\$183.99
Schedule PSDS – Primary Substation Distribution Service	\$183.99
Schedule LPMO – Large Power Mining Operation	\$183.99
Schedule PSDS–C – Primary Substation Distribution Service Rate–Choice	\$183.99
Schedule LPMO-C – Large Power Mining Operation Rate–Choice	\$183.99

Section XX: Residential Electric Vehicle Rate

RESIDENTIAL ELECTRICAL VEHICLE
SCHEDULE EV
(CODE: EV)

Availability

To Members of the Cooperative who own a qualifying electric vehicle (EV) whose residence includes a permanent charging station, where the EV is primarily stored and charged. The service location shall be considered the Member's primary residence, deemed residential, and subject to the established rules and regulations of the Cooperative.

A Member must have an active single-phase residential electric service at the same location in order to be eligible.

When service is supplied for Level 2 Charging, all electric usage for the household will be billed under this rate. "Level 2 Charging" is defined as voltage connection of either 240 volts or 208 volts and a maximum load of 32 amperes or 7.7 kVA at 240 volts or 6.7 kVA at 208 volts.

Type of Service

Single-phase, alternating current, 60 hertz, approximately (nominally) 120/240 volts.

Monthly Rate

Facility Charge:	\$28.00 per month
Energy Charge:	\$0.04330 per kwh
Energy Capacity Charge:	\$0.0176 per kwh
Demand Charge:	\$4.33 per kW
Energy Optimization Surcharge:	\$0.00197 per kwh

This rate is subject to the Energy Optimization Surcharge as shown.

Demand Charge

Demand is determined by utilizing the Member's single highest one hour reading in the month during the hours starting at 8:00 a.m. ending at 9:00 p.m.

Minimum Charge

The minimum monthly charge under this schedule shall be the Facility Charge.

Power Supply Cost Recovery Clause and Factor

-

This rate schedule is subject to the Cooperative's Power Supply Cost Recovery Clause.

Section XX: Residential Electric Vehicle Rate (Continued)

Terms of Payment

A late payment fee of two (2) percent of the unpaid balance may be assessed on any bill not paid on or before the due date. The late fee will be assessed on the unpaid balance, net of taxes, and added to any bill that is delinquent. The due date of a Member's bill shall not be less than 21 days following the date of mailing. See Member Standards and Billing Practices for more information.

Taxes

Michigan state sales tax will be added to all billings whenever applicable.

Adjustments

Bills shall be increased within the limits of political subdivisions/municipalities 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.

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.

Terms of Service

Proof of EV is required, may be requested at any time, and must be provided in a timely manner to the Cooperative. Failure to provide proof of EV or maintain ownership of an EV, may result in ineligibility. The Member is required to notify the Cooperative in the event of a sale of the original qualifying EV and shall provide proof of registration (and proof of sale) to the Cooperative for any EV-replacement vehicles. The qualifying EV (or replacement EV) must remain in operating condition. The Member must keep the charging station in operating condition at the residence. Extended disrepair or permanent removal of the charging station or EV could result in ineligibility.

Vehicles must be owned or leased by the Member or those living in the household and shall be registered to operate on public highways in the State of Michigan to qualify for this rate. Low-speed electric vehicles including golf carts are not eligible for this credit even if licensed to operate on public streets.

A service agreement may be required. Service on this rate is limited to electric vehicles that are SAE J1772 compliant. Bills are rendered without provision for partial or seasonal service.

Additional terms or conditions of service under this schedule shall be governed by the Cooperative's standard rules and regulations which are on file with the Michigan Public Service Commission.

Section XXI: State Reliability Mechanism Surcharge

STATE RELIABILITY MECHANISM SURCHARGE

Availability

In 2016, the Michigan Legislature passed Public Act 341 to ensure that alternative electric suppliers (AES) demonstrate that they are able to generate enough electricity to meet their capacity obligations. If an AES cannot meet its obligations, then the electric utility, such as Cloverland, must provide the AES’s customers with electric capacity, and in return, implement a State Reliability Mechanism (SRM) charge, which must be paid by the AES’s customers. See case U-18258 for more information.

Rates

Customer Class	Billing Determinant	Capacity Charge
Residential Service	Annual kWh	\$0.03914
General Service	Annual kWh	\$0.03756
Large Power Service, LSSU	Annual Billed Demand	\$16.02636
Louisiana Pacific Corp	Annual Billed Demand	\$17.21986
Large Power Mining Operations	Annual Billed Demand	\$11.29851
Primary Substation Distribution Service	Annual Billed Demand	\$22.91455
Western Line Corp	Annual Billed kVa	\$17.07046
Carmeuse Cedarville & Port	Annual Billed kVa	\$15.4874
Enbridge Energy	Annual Billed kVa	\$16.72531
UP Paper	Annual Billed kVa	\$5.93269
Street Lighting	Annual kWh	\$0.03198
Outdoor Protective Lighting	Annual kWh	\$0.02917

Section XXII: Power Supply Cost Recovery

POWER SUPPLY COST RECOVERY

The Power Supply Cost Recovery (PSCR) is a pricing mechanism where the cooperative will make short term power supply pricing adjustments to member bills to account for fluctuations in the cooperatives cost of power and energy. PSCR is also commonly referred to as Fuel Cost Adjustment or Power Cost Adjustment.

The PSCR is billed on a per kWh basis and normally appears as a separate line item on the billing statement separate from the established base rate. The maximum PSCR that the cooperative can charge is determined by the Cooperative’s Board of Directors. The PSCR can fluctuate from month-to-month but will not exceed the approved maximum.

Rates

The following factors are to be applied pursuant to 1982 PA 304 in the 12 months ending December 2024:

Year	Month	Maximum PSCR Factor (per kWh)	Actual Factor Billed (per kWh)
2024	January	\$0.0125	\$0.00600
2024	February	\$0.0125	\$0.00600
2024	March	\$0.0125	\$0.00600
2024	April	\$0.0125	\$0.00600
2024	May	\$0.0125	\$0.00600
2024	June	\$0.0125	\$0.00600
2024	July	\$0.0125	\$0.00600
2024	August	\$0.0125	\$0.00600
2024	September	\$0.0125	\$0.00600
2024	October	\$0.0125	\$0.00600
2024	November	\$0.0125	\$0.00600
2024	December	\$0.0125	\$0.00600

The following factors are to be applied pursuant to 1982 PA 304 in the 12 months ending December 2025:

Year	Month	Maximum PSCR Factor (per kWh)	Actual Factor Billed (per kWh)
2025	January	\$0.0125	\$0.0100
2025	February	\$0.0125	
2025	March	\$0.0125	
2025	April	\$0.0125	
2025	May	\$0.0125	
2025	June	\$0.0125	
2025	July	\$0.0125	
2025	August	\$0.0125	
2025	September	\$0.0125	
2025	October	\$0.0125	
2025	November	\$0.0125	
2025	December	\$0.0125	

REQUIREMENTS FOR OPERATION OF
PARALLEL GENERATION FACILITIES
(COGENERATORS AND SMALL POWER PRODUCERS)

In order to provide for the safety of Member-Consumers, 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 systems.

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.

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.

(Continued on Sheet No. D-3.01)

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REQUIREMENTS FOR OPERATION OF
PARALLEL GENERATION FACILITIES
(Continued from Sheet No. D-3.00)

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 Member-Consumers' 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 Member-Consumers 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.

Rates for Sales to Cooperative

Cogenerators and small power producers may operate under one of the following options:

Option I

The Member-Consumer may have a detente installed on its single kWh meter and opt to sell no power to the utility.

Option II

The Member-Consumer may install a second KWH meter to meter energy sold to the Cooperative. The Cooperative will pay _____ per kWh purchased from the Member-Consumer.

(Continued on Sheet No. D-3.02)

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REQUIREMENTS FOR OPERATION OF
PARALLEL GENERATION FACILITIES
(Continued from Sheet No. D-3.01)

Option III

The Member-Consumer may enter into a contract for at least four years providing for the sale of both capacity and energy. The Cooperative may require a test period, subject to MPSC approval, wherein the exact amount of capacity available for sale can be determined. During this period sales will be made subject to Option II.

Capacity is equal to kWh purchased/720. However in no event will demand payments be made in any month when demand is less than KWH purchased/720 for any of the Cooperative's four weekly system peaks.

After the contract is executed the utility will pay _____ per kWh purchased. The Cooperative will pay a rate per kW based upon the generation characteristics of the Member-Consumer as follows:

$$\text{Rate per kW} = \text{_____} \times (\text{availability factor}) \\ \times (\text{capacity factor})$$

Availability and capacity factors will initially be based on estimation but may be adjusted if justified by actual performance.

Member-Consumers selling capacity recognize that, under certain operating conditions, the Cooperative will require the qualifying facility to back down its generation.

Recover of Administrative Costs

Member-Consumers choosing Options II and III will be assessed a 1 mill/kWh surcharge to cover administrative costs.

Calculation of Avoided Costs

Pursuant to the Commission's Order in Case No. U-6798, dated August 27, 1982, Cloverland's avoided costs are based upon the average rate paid to its power suppliers. The power supply bills used to derive avoided energy costs and avoided capacity costs will be kept on file at Cloverland. Cloverland personnel will be available to explain how this methodology is applied to these bills so as to derive the avoided costs for any particular billing period.

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RATE "1" COGENERATION AND SMALL POWER PRODUCTION

Availability

Available to any generating installation with a capacity of 100 kW or less which employs cogeneration or other small power production technology utilizing biomass, waste, renewable resources, or geothermal energy as fuel and which meets the Federal Energy Regulatory Commission's criteria for a Qualifying Facility. Purchases shall be covered by contract.

The terms and conditions under this schedule are controlled by the Michigan Public Service Commission's order in Case No. U-6798 dated August 21, 1984, and by the Code of Federal Regulations, Title 18, Part 292.

Terms and Conditions of Service

Interconnection Costs

A. Obligation to Pay

Each qualified facility shall be obligated to pay all in interconnection costs (as defined in Sub-part A, Sub-section 18, CFR 292.101 (b) (7) of the FERC Rule) which the Cooperative may assess against the facility on a nondiscriminatory basis with respect to other Member-Consumers with similar size and load characteristics. Payment of these costs should be in accordance with the reimbursement procedure outlined below.

B. Reimbursement of Interconnection Costs

The qualified facility shall reimburse the electric utility for interconnection costs in the following manner:

1. The Member-Consumer shall install, at the Member-Consumer's expense, the necessary controlling, additional metering, and protective equipment according to specifications of the utility.
2. Domestic Member-Consumers desiring electric service as an auxiliary source of power for wind or solar powered generating equipment shall pay all direct costs of controlling and protective equipment necessitated by the presence of a source of power on the Member-Consumer's premises.

(Continued on Sheet No. D-4.01)

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RATE “1” COGENERATION AND SMALL POWER PRODUCTION (Contd)
(Continued from Sheet No. D-4.00)

3. Additional charges to cover the cost of safety equipment and other local facilities installed by the Cooperative, including design costs, shall be determined by the Cooperative for each case and collected from the Member-Consumer. The Member-Consumer shall make a one-time payment for such charges on the required additional facilities in accordance with **Section III A of the Cooperative’s Construction Policy, Original Sheet No. C-14.00**, but without provision for refund per **Section III B of the Cooperative’s Construction Policy, Original Sheet No. C-18.00**. Other local facilities include primary and secondary line extensions, service drops, transformers, conversion from single-phase to three-phase, refusing, etc.

C. Detent Only

For qualifying facilities interested in producing electricity for their own use not wishing to sell energy or capacity to the Cooperative (thereby avoiding the expense of additional metering) the Cooperative will install a detent on the energy meter to prevent reverse rotation during times when the Member-Consumer’s generation may exceed load. The cost of the installation of the detent will be treated as part of the interconnection cost, and no separate additional monthly metering charge will be required.

Monthly Purchase Price

The operator may elect to sell energy to the Cooperative under one of the following options:

- A. The average avoided energy cost, or
- B. The qualifying facility may enter into an agreement, with a duration of at least four years, for the sale of both capacity and energy. Such an agreement shall provide for a rate consisting of both an energy component and a capacity component for energy delivered to the Cooperative during “on-peak hours” and a rate consisting of only an energy component for energy delivered during all other hours. The energy component shall be the “average avoided energy cost” in either case. “On-peak hours” means the hours from 8 AM through 8 PM weekdays.

(Continued on Sheet No. D-4.02)

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**RATE “1” COGENERATION AND SMALL POWER PRODUCTION (Contd)
(Continued from Sheet No. D-4.01)**

The capacity component shall be equal to the capacity charge per kilowatt of the then effective Joint Operating Agreement with Wisconsin Electric Power divided by the number of “on-peak hours” in the month in which such energy is delivered. The qualifying facility must agree to the installation, at its expense, of a dual register time-of-day meter.

Administrative Cost Charge

\$0.001 per kWh purchased.

Average Avoided Energy Cost

Average Avoided Energy Cost is the weighted average energy cost incurred by the Cooperative under the Joint Operating Agreement with Wisconsin Electric Power.

The Cooperative shall make available, upon request, to co-generators and small power producers, data concerning the present and anticipated future avoided cost on the utility’s system. Personnel will be available to explain how to obtain the avoided costs for any particular month.

Notwithstanding anything hereinabove or hereinafter to the contrary, the total rate to be paid a qualifying facility for any kWh of energy delivered to the Cooperative shall not exceed the then applicable total rate per kWh (as calculated on Appendix “C” to the Settlement Agreement in Case No. U-6798) of diesel-generated energy available to Edison Sault Electric Company, under a contract with the Cooperative dated July 1, 1980, as amended, supplemented, or superseded from time to time.

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RATE “2” COGENERATION AND SMALL POWER PRODUCTION

Availability

Available to any generating installation with a capacity of over 100 kW which employs cogeneration or other small power production technology utilizing biomass, waste, renewable resources, or geothermal energy as fuel and which meets the Federal Energy Regulatory Commission’s criteria for a Qualifying Facility. Purchases shall be covered by contract.

The terms and conditions applicable under this schedule are controlled by the Michigan Public Service Commission’s Order in Case No. U-6798, dated August 21, 1984, and by the Code of Federal Regulations, Title 18, Part 292.

Terms and Conditions of Service

Interconnection Costs

A. Obligation to Pay

Each qualified facility shall be obligated to pay all interconnection costs (as defined in Sub-part A, Sub-section 18 CFR 292.101 (b) (7) of the FERC Rule) which the Cooperative may assess against the facility on a nondiscriminatory basis with respect to other Member-Consumers with similar size and load characteristics. Payment of these costs should be in accordance with the reimbursement procedure outlined below.

B. Reimbursement of Interconnection Costs

The qualified facility shall reimburse the electric utility for interconnection costs in the following manner:

1. The Member-Consumer shall install, at the Member-Consumer’s expense, the necessary controlling, additional metering, and protective equipment according to specifications of the utility.
2. Domestic Member-Consumers desiring electric service as an auxiliary source of power for wind or solar powered generating equipment shall pay all direct costs of controlling and protective equipment necessitated by the presence of a source of power on the Member-Consumer’s premises.

(Continued on Sheet No. D-5.01)

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RATE “2” COGENERATION AND SMALL POWER PRODUCTION (Contd)
(Continued from Sheet No. D-5.00)

3. Additional charges to cover the cost of safety equipment and other local facilities installed by the Cooperative, including design costs, shall be determined by the Cooperative for each case and collected from the Member-Consumer. The Member-Consumer shall make a one-time payment for such charges on the required additional facilities in accordance with **Section III A** of the Cooperative’s Construction Policy, **Original Sheet No. C-14.00**, but without provision for refund per **Section III B** of the Cooperative’s Construction Policy, **Original Sheet No. C-18.00**. Other local facilities include primary and secondary line extensions, service drops, transformers, conversion from single-phase to three-phase, refusing, etc.

C. Detent Only

For qualifying facilities interested in producing electricity for their own use not wishing to sell energy or capacity to the Cooperative (thereby avoiding the expense of additional metering) the Cooperative will install a detent on the energy meter to prevent reverse rotation during times when the Member-Consumer’s generation may exceed load. The cost of installation of the detent will be treated as part of the interconnection cost and no separate additional monthly metering charge will be required.

Monthly Purchase Price

A. Obligation to Purchase

The Cooperative will purchase energy and capacity made available from a qualifying facility under the conditions set forth in 18 CFR 292.303 (a) and 292.304 (d) as described below:

B. Capacity and Energy Rates

Payments for purchases from and rates associated with sales of energy and capacity between the utility and qualifying facilities having a capacity of over 100 kW will be made under negotiated agreements. The capacity rate and energy rates (defined in Appendix B to the Settlement Agreement in Case No. U-6798) will be calculated using the average demand component and energy charges of the then effective Joint Operating Agreement with Wisconsin Electric Power. For long-term contracts (contracts exceeding 10 years), the Cooperative and the qualifying facility may negotiate rates based on avoided costs associated with building a new power facility or building new transmission

(Continued on Sheet No. D-5.02)

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RATE “2” COGENERATION AND SMALL POWER PRODUCTION (Contd)
(Continued from Sheet No. D-5.01)

lines to obtain additional sources for purchased power. These methodologies and avoided cost data, so established, will be filed with the Commission.

C. Capacity Purchase Limitations

Capacity purchased from each qualifying facility over 100 kW will be subject to the Cooperative’s ability, during any year, to (i) avoid capacity payments from the Cooperative’s firm power purchases of (ii) defer capacity additions from planned generation facilities. In the event the Cooperative can no longer avoid capacity from the above sources, the Cooperative may, with the qualifying facility’s consent, wheel the qualifying facility’s power under a cost plus arrangement (subject to FERC approval and limitations) to other utilities.

Capacity rates for purchases from facilities’ construction which commenced prior to November 9, 1978, shall be governed by 18 CFR 292.304 (b) (3). No capacity component will be included in any payments made to qualifying facilities classified as “old facilities” (see 18 CFR Section 292.304 (b) unless (i) substantial proof is shown that the generator and protective equipment have been installed since November 9, 1978, or (ii) substantial proof is shown that (a) the remaining life of the qualifying facilities’ equipment is equivalent to “new capacity” and (b) the qualifying facility requires a capacity component to be included in payments made to it for power in order for it to be economically viable or to increase its output.

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COOPERATIVE SALES TO QUALIFYING COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

A. Obligation to Sell

Sub-part C, Sub-section 18 CFR 292.303 (b) and the Michigan Public Service Commission's Order in Case No. U-6798, dated August 21, 1984, shall govern the obligation on the part of the Cooperative to sell energy and capacity to qualifying facilities within its service area upon request. Qualifying facilities selling only excess energy or capacity to the utility shall compensate the utility under appropriate rates for: 1) supplementary power, 2) back-up power, and 3) maintenance power where such service is requested of the Cooperative.

B. Rates for Sales

The qualifying facility may elect any of the following options regarding sales made by the Cooperative to such qualifying facility. The election must be made at the time the contract is entered into.

1. Supplemental Power

An operator may contract to purchase power from the Cooperative to supplement the operator's generation. The qualifying facility may receive service under any of the applicable rate schedules currently in effect. A "contract demand" shall be established for such service by mutual agreement between the Cooperative and the operator. The on-peak billing demand shall be the highest 30-minute demand during the on-peak hours, but shall not be less than 60% of the "contract demand" and shall in no case be less than 100 kW. Any on-peak billing demand above the "contract demand" shall be considered as standby service.

2. Original Standby Rate

The qualifying facility may make a monthly payment of \$.60 per kW per day for the highest on-peak demand occurring each day in which standby service is utilized in addition to the otherwise applicable monthly demand charge of the Rate LP, Large Power Service Capacity Charge specified in Cooperative's rate schedule. A maximum demand in kilowatts shall be initially established by mutual agreement for electrical capacity sufficient to meet the maximum standby

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COOPERATIVE SALES TO QUALIFYING COGENERATION
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(Continued from Sheet No. D-6.00)

requirements which the Cooperative is expected to supply. Whenever the standby capacity so established is exceeded by the creation of a greater actual maximum demand, then such greater demand becomes the new standby capacity. The energy charge applicable under this option will be the rate shown for energy charge in Cloverland Electric Cooperative's Standard Rate Schedule "LP"

3. Maintenance Power

Standby power for maintenance shall be available to an operator for a maximum of 30 consecutive days once per calendar year upon 90 days' written request by the operator and agreement by the Cooperative as to when the maintenance power will be supplied within the calendar year. At least 60 days prior to the commencement date of the requested period of maintenance power, the Cooperative will notify the operator as to whether it is in agreement with the period of maintenance power. During the period of maintenance power, the charge of \$.60 per kW per day under the Optional Standby Rate shall be waived. The operator will pay the demand charge provided for in Cloverland Electric Cooperative's Standard Rate Schedule "LP." The energy charge per kWh applicable under this option shall equal the maximum per kWh charge for any kWh in the "LP" rate.

4. "On-peak hours" means the hours from 8 AM through 8 PM weekdays.

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SECTION E
RETAIL ACCESS SERVICE TARIFF

1.0 INTRODUCTION AND DEFINITIONS

This tariff expresses the terms and conditions associated with Retail Access Service and provides information regarding the roles of the various market participants. This tariff includes the following sections:

Introduction and Definitions	Section 1.0
Member-Consumer Section	Section 2.0
Alternative Electric Supplier Section	Section 3.0
Dispute Resolution	Section 4.0
Liability and Exclusions	Section 5.0

When a Member-Consumer participates in Retail Access Service and obtains Generation Services from an Alternative Electric Supplier (AES), the Cooperative will maintain a relationship and interact with the separate participants – including the Member-Consumer, the Transmission Service Provider, and the AES.

1.1 The Member-Consumer Role

The Member-Consumer is the end-user of Power in the State of Michigan who has facilities connected to the Cooperative's Distribution System. Under Retail Access Service, the Member-Consumer will conduct transactions with at least two participants – including the Cooperative and an AES. The Member-Consumer is responsible for choosing an AES. Member-Consumers may receive transmission service directly from the Transmission Service Provider or the AES may make such arrangements as part of its service to the Member-Consumer.

The Cooperative's principal requirement is that the Member-Consumer must be taking service under the Cooperative's Schedule LP, PSDS, or LP-MO and have a Maximum Demand of at least **1 MW**. An Individual Member-Consumer currently demand metered and who is eligible to be taking service under the Cooperative's Schedule LP or LP-MO may achieve the **1 MW** Maximum Demand threshold by aggregating or summing the Maximum Demands for each demand metering point occurring during a single month. All charges or fees specified herein and all related rate schedules apply to aggregated demand metering points on an individual account basis.

(Continued on Sheet No. E-1.01)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.00)

The Member-Consumer is ultimately responsible for the purchase and delivery of power to the Cooperative's distribution system that is sufficient to meet the Member-Consumer's electrical requirements for each hour of each day. If for any reason, including but not limited to the failure or default of the AES, the failure of its generation resources and/or transmission system constraints, power is delivered to a retail open access Member-Consumer by the Cooperative then the Member-Consumer shall purchase said power from the Cooperative pursuant to the Default Service provisions of this tariff.

1.2 The Alternative Electric Supplier Role

An Alternative Electric Supplier (AES) is a Person that has been licensed by the Michigan Public Service Commission to sell electric generation service to retail Consumers in this state. The AES takes title to Power and sells Power in Michigan's retail electric market.

An AES makes necessary arrangements to provide Power to Member-Consumers, assembles products and/or services, and sells the products and/or services to Member-Consumers. The AES must meet all applicable statutory and regulatory requirements of Michigan and federal law.

Market participation responsibilities of the AES or Member-Consumer include: scheduling energy, obtaining and paying for transmission and ancillary services (including energy imbalance charges), and payment or provision of energy for losses incurred on the Transmission System and the Distribution System to deliver Power. The AES is responsible for assuring power supply, arranging deliveries to the Cooperative's Distribution System, and managing its own retail sales.

1.3 Transmission Service Provider Role

The Transmission Service Provider delivers electrical energy to the Cooperative's distribution system. To obtain retail access service, the Member-Consumer or the AES on behalf of the Member-Consumer must arrange for transmission service from the Transmission Service Provider. The Transmission Service Provider provides services to transmission consumers, whether an AES or a Member-Consumer as defined herein, pursuant to its Open Access Transmission Tariff (OATT) rules and regulations as approved by the Federal Energy Regulatory Commission or pursuant to a Transmission Tariff approved by another appropriate regulatory authority.

(Continued on Sheet No. E-1.02)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.01)

1.4 Cooperative Role

The Cooperative provides facilities and related services for the distribution of electricity and is the Member-Consumer's primary contact for electric service. Under Retail Access, the Cooperative arranges for the physical connection of the Member-Consumer's facilities to the Distribution system and provides system maintenance, outage restoration, metering equipment, meter data processing, bill processing for distribution services and other Consumer support services.

The Cooperative's Generation Services (Default Service and Full Requirements Service) offered herein are supplied by purchases for resale from the Cooperative's wholesale power supplier. Such purchases are made pursuant to tariffs that are established by the wholesale power supplier and approved by the Federal Energy Regulatory Commission or other appropriate regulatory authority.

1.5 Definitions

“Aggregate” or “Aggregation” means to combine or the combination of multiple metering points serving an individual Member-Consumer for the purpose of qualifying for Retail Access Service.

“Alternative Electric Supplier” or “AES” means a Person properly licensed by the Michigan Public Service Commission to sell electric Generation Service to retail Consumers in the state of Michigan. AES does not include a Person who physically delivers electricity from the AES directly to retail Consumers in Michigan.

“Commission” means the Michigan Public Service Commission.

“Cooperative” means Cloverland Electric Cooperative or its agent.

“Default Service” means Generation Service provided by the Cooperative. Default Service shall be purchased under the rates, terms, and conditions in the applicable Retail Access Standby Service tariff approved by the Commission.

“Demand” means the amount of Power required to meet the Member-Consumer’s load averaged over a designated interval of time, expressed in kilowatts or megawatts.

(Continued on Sheet No. E-1.03)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.02)

“*Distribution Point of Delivery*” means the point of interconnection between the Cooperative’s Distribution System and the Member-Consumer’s service Location.

“*Distribution Point of Receipt*” means the point of interconnection between the Cooperative’s Distribution System and the Transmission System or other facilities where electric Energy is received for delivery to a Member-Consumer.

“*Distribution Service*” means the provision of retail Regulated Electric Service including delivery of Generation over the Distribution System, and ancillary services all provided by the Cooperative pursuant to its rates for Retail Access Service.

“*Distribution System*” means facilities operated by the Cooperative for the purpose of distributing electric power within the Cooperative's electric service territory, which are subject to the jurisdiction of the Commission.

“*Drop Request*” means a request by an AES to terminate Generation Service to a Member-Consumer.

“*Drop Response*” means a response sent by the Cooperative to an AES which submitted a Drop Request that confirms the requested Member-Consumer drop as pending and provides certain Member-Consumer information or, if the Drop Request is denied, provides a reason or invalidation code explaining why the request was denied.

“*Energy*” refers to “electrical energy.” Energy is usually measured in kilowatt-hours (kWh) or megawatt-hours (MWh).

“*Full Requirements Service*” means the provision of retail Regulated Electric Service including generation, transmission, distribution, and ancillary services all provided by the Cooperative pursuant to its rates for standard electric service.

“*Generation Service*” means the provision of electric Power, transmission, and related ancillary services.

“*Interval Demand Meter*” means a meter capable of measuring and recording kW demands and kVAR demands on a sub-hour time interval and hourly integrated basis and measuring energy in kWh on a cumulative basis.

(Continued on Sheet No. E-1.04)

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(Continued from Sheet No. E-1.03)

“*Load*” means any end-use device drawing energy from the electric system.

“*Location*” means each Member-Consumer facility, whether owned or leased, where power is delivered by the Cooperative.

“*Maximum Demand*” (also known as “Peak Demand”) means the highest 15-minute integrated demand created during the current and previous eleven (11) billing months at each voltage level, whether the Member-Consumer received service under this tariff or another Cooperative retail tariff.

“*Member-Consumer*” means, for purposes of Retail Access Service, a Person with electrical load facilities connected to the Cooperative’s Distribution System and to whom Power is delivered to its Location pursuant to this tariff. All Member-Consumers, regardless of the voltage level of the service, are considered to be connected to the Cooperative’s Distribution System.

“*Open Access Transmission Tariff (OATT)*” means Open Access Transmission Tariff of a Person owning or controlling the Transmission System, on file with the Federal Energy Regulatory Commission, as may be amended from time to time.

“*Person*” means an individual, governmental body, corporation, partnership, association, or other legal entity.

“*Power*” means a combination of the electric Demand and Energy requirements of the Member-Consumer.

“*Retail Access Service*” means the service offered by the Cooperative under applicable laws, regulations, tariffs and agreements, which allows the Member-Consumer to purchase Generation Service from a licensed AES, with Power delivered through the Cooperative’s Distribution System.

“*Regulated Electric Service*” means the services offered by the Cooperative under terms and conditions approved by the Commission.

“*Relevant Market*” means either the Upper Peninsula or the Lower Peninsula of this state.

(Continued on Sheet No. E-1.05)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.04)

“*Slamming*” means the act of changing the Member-Consumer’s chosen AES, or changing the Member-Consumer from Full Requirements Service to Generation Service from an AES, without the Member-Consumer’s consent.

“*Switch*” means a Member-Consumer move from one provider of Generation Service to another.

“*Switch Date*” means the date on which the Member-Consumer is actually assigned to a new Generation Service provider for purposes of Energy supply responsibility.

“*Switch Request*” means a request by an AES to switch the Member-Consumer from the Cooperative or another AES to the requesting AES, for Generation Service.

“*Switch Response*” means a response sent by the Cooperative to an AES which submitted a Switch Request that confirms the requested Member-Consumer switch as pending and provides certain Member-Consumer information or, if the Switch Request is denied, provides a reason or invalidation code explaining why the request was denied.

“*Transition Charge*” means a surcharge for the recovery of costs associated with the implementation of Retail Access Service and/or the Cooperative’s stranded costs arising from the implementation of Retail Access Service, as determined by the Commission.

“*Transmission Service Provider*” means a Person that owns, controls and/or operates transmission facilities and provides transmission and related services to the Cooperative including scheduling of power supply resources into the transmission system on behalf of the Cooperative.

“*Transmission System*” means facilities operated by a Person used for transmitting electric Power to the Distribution Point of Receipt, and subject to the jurisdiction of the Federal Energy Regulatory Commission.

“*Uniform Data Transaction*” means specific technical arrangements for trading information, initiating business requests and executing other common transactions. These arrangements may encompass a number of electronic media and use specified transport protocols.

(Continued on Sheet No. E-1.06)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.05)

2.0 MEMBER-CONSUMER SECTION

2.1 Availability

Retail Access Service is available to all existing or new Member-Consumers that meet the terms and conditions of this Retail Access Service tariff and other applicable Cooperative tariffs, subject to contracting with an AES.

2.2 Eligibility

2.2.1 A Member-Consumer's eligibility to take Retail Access Service is subject to the full satisfaction of any terms or conditions imposed by pre-existing contracts with or tariffs of the Cooperative. Member-Consumers must have satisfied any past due amounts for Regulated Electric Service owed to the Cooperative under any other arrangements or provisions for Regulated Electric Service before taking service under this tariff.

2.2.2 An Individual Member-Consumer who is eligible to be taking service under the Cooperative's Schedule LP, PSDS, or LP-MO and having a demand meter with a Maximum Demand of at least **1 MW** is eligible to take service under this tariff. An Individual Member-Consumer receiving demand metered service at multiple metering points and who is eligible to be taking service under the Cooperative's Schedule LP or LP-MO may achieve the **1 MW** Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. All charges or fees specified herein and all related rate schedules apply to all aggregated metering points on an individual account basis.

2.3 Member-Consumer Information

Member-Consumers will be provided their own usage and billing information upon request. No fee shall be charged for the first request per calendar year related to a specific Member-Consumer account. An AES must obtain written authorization from the Member-Consumer before the Cooperative will provide an AES with a Member-Consumer's currently available usage and billing information. Subsequent requests by the Member-Consumer or the AES will require a fee of \$30.00 per account that will be billed to the Member-Consumer.

(Continued on Sheet No. E-1.07)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.06)

2.4 Member-Consumer Enrollment and Switching

- 2.4.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two years after the switch to the AES has been effectuated. See Return to Service Provision in Section 2.6.
- 2.4.2 A Member-Consumer will specify only one AES at any given time for the supply of Power to each Member-Consumer account or Member-Consumer Location.
- 2.4.3 A Member-Consumer shall be permitted to change AESs. Assuming all other requirements are met, the changes will become effective at the completion of their normal billing cycle. Member-Consumers will be assessed a fee of \$10.00 per Member-Consumer account for each change beyond one (1) within a calendar year. The change will be submitted to the Cooperative by the Member-Consumer's newly chosen AES as a Switch Request.
- 2.4.4 The AES shall submit to the Cooperative a Switch Request via a Uniform Data Transaction after a required ten (10) day Consumer rescission period.
- 2.4.5 The Cooperative will process one (1) valid Switch Request per Member-Consumer per meter reading cycle. Where multiple Switch Requests for the same Member-Consumer are received during the same meter reading cycle, the Cooperative will process the first valid Switch Request received during a meter read cycle. A Switch Response for each rejected Switch Request will be sent to the appropriate AES via a Uniform Data Transaction within three (3) business days.

The Cooperative will normally validate a Switch Request within three (3) business days of the receipt of the Switch Request and will transmit a Switch Response to the AES. As part of the validation process, the Cooperative shall notify the Member-Consumer in writing that a Switch Request has been received and is being processed.

(Continued on Sheet No. E-1.08)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.07)

For valid Switch Requests from one AES to another, the Cooperative will at the same time send to the AES currently serving the Member-Consumer, via the appropriate Uniform Data Transaction, notice that the AES's service is to be terminated, including the scheduled Member-Consumer Switch Date. In the event that the Member-Consumer or the new AES cancels the Switch before the Switch Date, the Cooperative will send to the current AES, via appropriate Uniform Data Transaction, notice reinstating the current AES's service unless the current AES has submitted a valid Drop Request.

Cut-off time for the receipt of Switch Requests is eight (8) business days in advance of the Member-Consumer's Switch Date. In the case of errors or omissions in Switch Requests received by the Cooperative, final disposition of exceptions may take up to five (5) business days.

- 2.4.6 Other than in situations where Member-Consumers require new meter installations as part of a Switch, Member-Consumer Switches will be scheduled to take place on the scheduled meter reading date, and will be effective on the actual meter reading date or the date of an estimated meter reading for billing purposes. The Switch Date shall be effective on the next scheduled meter read date that is not less than eight (8) business days after the Switch Request has been confirmed as pending. The AES change shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.4.7 The Cooperative shall process Drop Requests submitted by AESs in the same manner as it processes Switch Requests, including Member-Consumer notification. AESs shall be subject to the same timing, validation and Uniform Data Transaction requirements for Drop Requests as for Switch Requests. An AES shall inform the Member-Consumer in writing of the submission of a Drop Request.

2.5 Metering

- 2.5.1 Metering equipment for Member-Consumers taking Retail Access Service shall be furnished, installed, read, maintained, and owned by the Cooperative.
- 2.5.2 Member-Consumers shall be required to have an Interval Demand Meter at each metering point.

(Continued on Sheet No. E-1.09)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.09)

2.6 Return to Full Requirements Service

- 2.6.1 A Member-Consumer which switches to an AES cannot return to the Cooperative's Full Requirements Service for two (2) years after the switch to the AES has been effectuated. After such two (2) year period, a Member-Consumer may return to full service after giving the Cooperative at least 30 days written notice, unless the Member-Consumer wants to take service during the summer months of June through September, in which case the Member-Consumer must give the Cooperative notice no later than the preceding December 1. The Cooperative will return the Member-Consumer to Full Requirements Service following the notice period. Said notice period commences with the beginning of the Member-Consumer's billing cycle following receipt of the Member-Consumer's written notice of intent to return to Full Requirements Service. If the Member-Consumer returns to the Cooperative's Full Requirements Service for any reason prior to such two (2) year period or prior to the expiration of the notice period, the Member-Consumer's rate will be determined as the greater of:
- A. The charges for Default Service plus the applicable Retail Access Service rate, or
 - B. 110% of the applicable Full Requirements Service Rate.
- 2.6.2 A Member-Consumer, having given notice of its intent to return to Full Requirements Service under Section 2.6.1, will receive Cooperative Default Service if, at any time during the notice period, it discontinues purchasing Generation Service from an AES.
- 2.6.3 A Member-Consumer taking Default Service under the provisions of Section 2.6.2 may switch to another AES as provided in Section 2.4 at any point during the period that they are on Default Service.
- 2.6.4 The AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction when the Member-Consumer requests return to Full Requirements Service or when AES service is not being continued for any reason. The AES shall inform the Member-Consumer of the Drop Request in writing.

(Continued on Sheet No. E-1. 11)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.10)

- 2.6.5 The Cooperative will normally validate a Drop Request within three (3) business days of the receipt of the Drop Request and will transmit a Drop Response to the AES. As part of the validation process, the Cooperative will notify the Member-Consumer in writing that a Drop Request has been received and is being processed.
- 2.6.6 The Switch from AES to Full Requirements Service will be processed on the next meter read date after the AES submits the necessary Drop Request to the Cooperative, provided that the requirements of section 2.6.1 are met. If the requirements of section 2.6.1 are not met, then the Member-Consumer will be switched to Cooperative Default Service until said requirements are met. The Switch shall occur at midnight (00:00) local time at the beginning of the effective date.
- 2.6.7 A Member-Consumer returning to Full Requirements Service must remain on such service for the minimum term stated in the applicable Full Requirements Service tariff, but not less than twelve (12) months.
- 2.6.8 In the event of Slamming from Full Requirements Service, a Member-Consumer who desires to return to Full Requirements Service may do so. The Cooperative will waive the twelve (12) month minimum term requirements. The Cooperative's Default Service does not apply to such Member-Consumers.

(Continued on Sheet No. E-1. 12)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.11)

2.6.9 In the event a Member-Consumer is dropped by the AES due to the bankruptcy of the AES or upon the complete withdrawal of the AES from the Relevant Market, the Member-Consumer may receive Default Service from the Cooperative for not more than three (3) full billing cycles. By the end of that time period, the Member-Consumer must either have a Switch Request completed on their behalf as provided in Section 2.4, or give notice of its intent to return to Full Requirements Service as provided in Section 2.6.1. A Member-Consumer that does not arrange for Generation Service from a different AES or give notice of its intent to return to Full Requirements Service within three (3) months shall be disconnected.

2.7 Billing and Payment

2.7.1 The Cooperative will bill the Member-Consumer for Retail Access Service as outlined in Section 3.3 of this tariff.

2.7.2 The Member-Consumer shall pay the Cooperative the amount billed by the Cooperative on or before a due date established by Member-Consumer billing rules approved by the Commission in accordance with the Commission's consumer standards and billing practices, R 460.3901 et seq., as amended, for nonresidential Consumers.

2.7.3 Where incorrect billing results from an error discovered by either the Cooperative, the AES or the Member-Consumer, the error will be corrected and revised bills, as appropriate for the Member-Consumer and/or AES, will be calculated and settled on the next billing period after the error is discovered. Billing errors discovered by the Cooperative shall be adjusted as provided for in the Commission's applicable billing rules.

2.8 Disconnection of Service

The Cooperative is the only Person allowed to physically disconnect service to a Member-Consumer. Disconnection of service to a Member-Consumer for non-payment of the Cooperative's bill or for any violation of the Cooperative's tariffs shall be in accordance with applicable Commission rules and Cooperative tariffs. The Cooperative shall notify the AES in writing of the intent to disconnect and the date and time of actual disconnection. The Cooperative shall not be liable for any losses to the AES due to disconnection.

(Continued on Sheet No. E-1. 13)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.12)

3.0 ALTERNATIVE ELECTRIC SUPPLIER SECTION

3.1 Availability

The AES will not be eligible to enroll Member-Consumers unless and until the following conditions have been satisfied and continue to be satisfied. The AES has sole responsibility for conditions 3.1.1, 3.1.2, and 3.1.3. The Cooperative will check and verify conditions 3.1.4 and 3.1.5.

- 3.1.1 The AES has been granted a license by the Commission.
- 3.1.2 The AES has obtained and maintains a Member-Consumer-signed Enrollment indicating that the Member-Consumer has chosen to switch its Generation Service to the AES.
- 3.1.3 The AES has executed agreements with the appropriate Transmission Service Provider(s).
- 3.1.4 The AES has demonstrated its capability to meet the Cooperative's defined standards and protocols for Uniform Data Transactions.
- 3.1.5 The AES has executed a Retail Access Service agreement (which may include, but is not limited to, a portfolio of Member-Consumers, negotiated services, etc.) with the Cooperative and complied with the Cooperative's Member-Consumer enrollment requirements to prevent Slamming.

3.2 Switch and Drop Requests

- 3.2.1 Switch Requests and Drop Requests will be handled in accordance with Section 2.4 of this tariff and will be accepted for processing by the Cooperative.
- 3.2.2 When a Member-Consumer requests to discontinue receiving Generation Service from the AES or when the AES's service is being discontinued for any reason, the AES shall transmit a Member-Consumer Drop Request to the Cooperative via a Uniform Data Transaction within no more than three (3) business days.

(Continued on Sheet No. E-1. 14)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.13)

3.3 Billing

- 3.3.1 Unless otherwise agreed, the Cooperative and the AES will separately bill the Member-Consumer for the respective services provided by each. The Member-Consumer will receive separate bills for services provided and is responsible for making payments to the Cooperative for service provided in accordance with requirements of the Cooperative as set forth in the applicable billing rules and Commission approved tariffs.
- 3.3.2 The Cooperative may elect to offer a service where it bills the Member-Consumer for services that the Cooperative provides as well as services provided by the AES. If the Cooperative bills for AES charges, the following conditions will apply:
1. The Cooperative and the AES must have entered into a billing agreement that specifies the terms and conditions under which such billing will occur.
 2. Any discrepancies in charges collected and remitted will be corrected and reflected in the subsequent billing cycles.
 3. Payments received from or on behalf of a Member-Consumer shall be applied in the following order:
 1. To the Member-Consumer's past due balance owed the Cooperative,
 2. To current balances due the Cooperative,
 3. To current balances due the Cooperative for other charges such as facilities or loan agreements, and
 4. To the AES for all balances due for services provided.
 4. Optional Services (i.e., billing and remittance processing, credit and collections, meter read information, Member-Consumer information, etc.) may be provided by the Cooperative pursuant to terms negotiated with the AES, and shall be offered on a non-discriminatory basis. Amounts owed to the Cooperative by an AES may be deducted from the AES's Member-Consumer payments received by the Cooperative prior to remittance to the AES.

(Continued on Sheet No. E-1. 15)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.14)

5. The Cooperative will not pursue collections action for any AES.
- 3.3.3 Unless otherwise specified by the Cooperative, all payments made to the Cooperative by the AES will be made by electronic funds transfer to the Cooperative's account.
- 3.4 Terms and Conditions of Service**
- 3.4.1 The AES is responsible for providing Power to be transmitted by the appropriate Transmission Service Provider(s) to the Cooperative's Distribution Point of Receipt. The AES shall meet all obligations necessary to schedule Power to match the Member-Consumer's Load, subject to energy imbalance charges and penalties in accordance with the terms of the OATT of the Transmission Service Provider(s).
- 3.4.2 Retail Access Service may not commence until metering has been installed as specified in this Tariff as outlined in Section 2.5.
- 3.4.3 The AES will provide to the Cooperative or the Cooperative's designated recipient daily energy schedules for all services including losses associated with use of the Distribution System. The AES will provide verification that it has arranged for and scheduled transmission service to deliver Energy, the energy schedule has been approved by the Transmission Service Provider(s), and the AES has covered losses on the Transmission System(s).
- 3.4.4 The AES will pay the Cooperative under applicable tariffs for all applicable ancillary services, emergency energy services, standby and backup services provided by the Cooperative to the AES for the AES's Member-Consumer(s) from the service commencement date to the service termination date.
- 3.4.5 The Cooperative shall bill the AES for all associated switching fees incurred as a result of Slamming by the AES plus the actual administrative cost incurred for switching a slammed Member-Consumer from one rate service to another.
- 3.4.6 An AES shall not resell Member-Consumer account information or transfer it to other parties for any other purpose. The Cooperative will only release Member-Consumer data to the Member-Consumer or its authorized representative, which may be the AES.

(Continued on Sheet No. E-1. 16)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.15)

3.5 Distribution Power Losses

The Alternative Electric Supplier is responsible for replacing losses associated with the delivery of Power to the Member-Consumer's meter. The amount that the AES shall cause to be delivered to the Cooperative's Distribution System will be the amount of Power delivered at the Member-Consumer meter plus an amount to reflect loss factors. For calendar year 2004, the loss factors were:

Primary Service	4.0%
Secondary Service	9.9%
Primary Substation Service	0

Please contact the Cooperative to obtain the applicable loss factors for the current billing period.

(Continued on Sheet No. E-1. 17)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.16)

3. 4.0 DISPUTE RESOLUTION

- 4.1 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs and Member-Consumers.
- 4.2 The Cooperative shall have no duty or obligation to resolve any complaints or disputes between AESs or Member-Consumers and their Transmission Service Provider(s). Disputes involving a Transmission Service Provider's OATT shall be resolved using the dispute resolution procedures as described in the OATT.
- 4.3 In the event the AES has a dispute over the implementation of the Cooperative's Retail Access Service, then the AES shall provide the Cooperative with a statement of the dispute and the proposed resolution to the designated Cooperative contact. Upon receipt of the statement of dispute, the Cooperative shall attempt to resolve the dispute according to the following process:
- 4.3.1 The Cooperative will investigate the dispute and attempt to resolve the dispute informally in a manner that is satisfactory to both parties within five (5) business days of initial receipt of the statement of dispute.
- 4.3.2 If the dispute is not resolved in five (5) business days, the parties shall attempt to resolve the dispute by promptly appointing a senior representative of each party to attempt to mutually agree upon a resolution. The two senior representatives shall meet within ten (10) business days. If the two senior representatives cannot reach a resolution within a 30-day period, the dispute may, on demand of either party, be submitted to arbitration as provided in this section.
- 4.3.3 The dispute, if mutually agreed by the parties, may be submitted for resolution in accordance with the American Arbitration Association ("AAA") commercial arbitration rules. The judgment rendered by the arbitrator may be enforced in any court having jurisdiction of the subject matter and the parties.
- 4.3.4 The arbitrator may be determined by AAA.
- 4.3.5 The findings and award of the arbitrator shall be final and conclusive and shall be binding upon the parties, except as otherwise provided by law. Any award shall specify the manner and extent of the division of the costs between the parties.

(Continued on Sheet No. E-1. 18)

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RETAIL ACCESS SERVICE TARIFF
(Continued from Sheet No. E-1.17)

4.4 Nothing in this section shall restrict the rights of any party to seek resolution of the dispute with the appropriate regulatory agency with jurisdiction.

4. 5.0 LIABILITY AND EXCLUSIONS

5.1 In no event will the Cooperative or its suppliers be liable under any cause of action relating to the subject matter of this tariff, whether based on contract, warranty, tort (including negligence), strict liability, indemnity or otherwise for any incidental or consequential damages including but not limited to loss of use, interest charges, inability to operate full capacity, lost profits or claims of AESs or Member-Consumers.

5.2 The Cooperative will not be liable to an AES or Member-Consumer for damages caused by interruption of service, voltage or frequency variations, single-phase supply to three-phase lines, reversal of phase rotation, or carrier-current frequencies imposed by the Cooperative for system operations or equipment control, except such as result from the failure of the Cooperative to exercise reasonable care and skill in furnishing the service.

5.3 In no event will Cooperative be liable to an AES or Member-Consumer for loss of revenue or other losses due to meter or calculation errors or malfunctions. The Cooperative's sole obligation and the AES's or Member-Consumer's sole remedy will be for the Cooperative to repair or replace the meter and prepare revised bills as described in Section 2.7.3.

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**RETAIL ACCESS STANDBY SERVICE
SCHEDULE RASS**

Availability

This schedule is available on a best efforts basis only to Member-Consumers of the Cooperative receiving service under its Large Power Service Rate-C (Schedule LP-Choice), Primary Substation Distribution Service Rate-C (Schedule PSDS-Choice), and Large Power-Mining Operation Rate-C (LP-MO-Choice). This is in addition to the Member-Consumer's applicable Choice tariff.

Nature of Service

Service under this schedule is only available on a best efforts basis to the Member-Consumer when an Alternative Electric Supplier (AES) has ceased service to the Member-Consumer. The Member-Consumer may arrange to return to Full Requirements Service by following the procedures detailed in the Cooperative's *Retail Access Service Tariff*, subject to the terms and conditions set forth in said tariff.

Standby Service under this schedule does not include net under- or over- deliveries of Energy that result when Energy is delivered on behalf of a Member-Consumer but deviates from the Member-Consumer's scheduled Energy requirements plus applicable provisions for line losses. Any change in the Member-Consumer's Energy schedule must be reported to the Transmission Service Provider according to the provisions in the applicable Open Access Transmission Tariff (OATT). These charges represent Schedule 4 ancillary services and will be summarized each month with payment to the Member-Consumer or due from the Member-Consumer per the calculation.

Charges for Service

The charges for this service shall be equal to the Cooperative's out-of-pocket cost of standby power delivered to the Member-Consumer, plus a service fee of one-cent (\$0.01) per kWh delivered to the Member-Consumer.

The Cooperative's out-of-pocket cost shall be equal to the amount it is billed by its wholesale supplier for Standby Service delivered to the Member-Consumer.

(Continued on Sheet No. E-2.01)

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**RETAIL ACCESS STANDBY SERVICE
SCHEDULE RASS
(Continued from Sheet No. E-2.00)**

Terms of Payment

1. Monthly bills for Standby Service rendered by the Cooperative are due and payable on or before the due date listed on the bill.
2. The above rates are net. A one-time late payment charge of two (2%) percent of the unpaid balance, excluding sales tax, will be assessed on any bill for Standby Service not paid by the due date.
3. The Cooperative will not collect any monies on behalf of any AES, retailer or other third party without a written agreement between the Cooperative, the Member-Consumer and the third party.

Third Party Disputes

The Cooperative has no obligation or duty to intervene, mediate or participate in contractual disputes between the Member Consumer and its AES Supplier or third parties. Further, the Cooperative will not shut off service or otherwise enforce any provision of a contract between the Member Consumer and any third party.

Tax Adjustment

1. 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 offset such special charges and thereby prevent other Member-Consumers from being compelled to share such local increases or decreases.
2. Bills shall be adjusted to offset any new, increased or decreased specific tax or excise imposed by any governmental authority, which increases or decreases the Cooperative's cost of providing electric service.

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