

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans for )  
**ALGER DELTA COOPERATIVE ELECTRIC** ) Case No. U-16678  
**ASSOCIATION** to fully comply with Public Act 295 of )  
2008. )  
\_\_\_\_\_ )

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**CLOVERLAND ELECTRIC COOPERATIVE** to fully ) Case No. U-16681  
comply with Public Act 295 of 2008. )  
\_\_\_\_\_ )

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**GREAT LAKES ENERGY COOPERATIVE** to fully ) Case No. U-16682  
comply with Public Act 295 of 2008. )  
\_\_\_\_\_ )

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**MIDWEST ENERGY COOPERATIVE** to fully ) Case No. U-16683  
comply with Public Act 295 of 2008. )  
\_\_\_\_\_ )

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**THE ONTONAGON COUNTY RURAL** ) Case No. U-16684  
**ELECTRIFICATION ASSOCIATION** to fully )  
comply with Public Act 295 of 2008. )  
\_\_\_\_\_ )



the Co-ops' EO programs are administered jointly with one other, as well as with four other municipal utilities: the City of Escanaba, the Marquette Board of Light and Power, Newberry Water & Light Board, and the City of Stephenson. Collectively, this group is known as the Michigan Electric Cooperative Association Energy Optimization Collaborative (the Collaborative).

Prehearing conferences were held on August 9 and September 27, 2011 before Administrative Law Judge Theresa A. Sheets. The Co-ops and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the cases.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that the EO plans and related surcharges are reasonable, appropriate, in the public interest, and consistent with Public Act 295 of 2008 (Act 295) and the Commission's temporary order issued in Case No. U-15800. For Co-ops that are rate-regulated by the Commission, they may begin collection of the surcharges established in these EO plans for bills rendered on and after January 1, 2012. No surcharge approval is necessary for Co-ops that are member-regulated pursuant to Public Act 167 of 2008.

The parties agree that Michigan's rural electric cooperatives have several unique characteristics, and because of these characteristics, it is appropriate for the Commission to exercise its discretion pursuant to Section 71(3)(h) of Act 295 and allow the Co-ops flexibility in designing their EO programs. Accordingly, for purposes of EO credits, all Co-ops may collectively be treated as one entity. The parties agree that such treatment will allow for the practical and cost-effective administration of the proposed EO plans.

To determine compliance with the minimum energy savings found in Section 77 of Act 295, the Collaborative and each of its members may be treated as one provider. In other words, in

determining whether incremental energy savings in a year are equivalent to 1% of total annual retail electricity sales in megawatt hours in the preceding year, the Co-ops shall have the option to be treated as one provider. Each Co-op, however, shall still administer its EO plan as described in its application, and shall charge the surcharges contained in the attached tariffs. Further, by June 30 of each year, each rate-regulated Co-op shall file with the Commission an EO reconciliation application.

The parties agree that, beginning with the 2012 reporting period, the Collaborative may file one EO annual report, which will be due on June 30 of each year. Although the members of the Collaborative may be treated as one provider, the annual report shall provide individualized information for each Co-op. The Collaborative shall request a new docket number from the Commission for purposes of filing the EO annual report.

The parties agree that the Co-ops' experience over the term of their initial EO plans demonstrates that one particular customer class is typically more responsive to EO program offerings than others. As a result, it is not feasible for the Co-ops to ensure that charges collected from a particular customer rate class are spent on EO programs for that rate class without compromising the purpose of the EO programs and causing the overall EO program to fall short of its goal. For this reason, the Co-ops may reallocate expenditures budgeted for specific program offerings within a customer class to successful programs in another customer class when the Co-ops' experience shows that the market in that customer class is not responding to EO program offerings and the change is reasonable and cost-effective.

The Co-ops may combine customer and industrial (C&I) primary and secondary classes into one C&I line item for purposes of reporting EO program budgets, expenses, income, kilowatt-hour (kWh) goals, and actual kWh achievement.

The parties agree that any C&I member-customer of the Co-ops that has opted to self-direct its own EO programs under Section 93 of Act 295 may amend its self-directed EO program to extend the date of such program so that the total program is five years, as permitted by the Commission's August 25, 2011 order in Case No. U-16563. The parties agree that if such amendment occurs, the self-directed member-customer may carry forward any achieved kWh savings for up to four years (i.e., to the end of the five-year EO program), as described by the Commission's August 25, 2011 order in Case No. U-16563.

The parties recognize that significant energy savings and reductions in carbon emissions are achieved from their member-customers participating in fuel switching that involves geothermal, air-to-air heat pumps, and solar thermal systems. The parties agree that, in calculating net energy savings towards the kWh goals found in Section 77 of Act 295, the Co-ops' members may include savings resulting from a member-customer participating in an EO HVAC program or a fuel switching pilot program that involves geothermal, air-to-air heat pumps, and solar thermal systems.

In calculating net energy savings towards the kWh goals found in Section 77 of Act 295, Collaborative members may include savings resulting from load management activities. The parties recognize that electric cooperatives' rates are determined through a times interest earned ratio coverage approach with no recognition of the type of rate base approach used by the state's investor-owned utilities.

The parties recognize that an independent expert evaluation/validation of incremental energy savings for each Co-op would cause undue financial hardship. Accordingly, the Co-ops' third party evaluations will be limited to the certification of gross kWh savings.

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

THEREFORE, IT IS ORDERED that:

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

B. The co-operatives that are rate-regulated by the Commission may begin collection of the surcharges established in tariff sheets attached to the settlement agreement for bills rendered on and after January 1, 2012.

C. Beginning with the 2012 reporting period, members of the Michigan Electric Cooperative Association Energy Optimization Collaborative may file one energy optimization annual report, which shall be due on June 30 of each year.

D. To allow for the practical and cost-effective administration of the energy optimization plans, Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and HomeWorks Tri-County Electric Cooperative may be treated as one provider for purposes of determining compliance with the minimum energy savings found in MCL 460.1077.

E. Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and HomeWorks Tri-County Electric Cooperative may reallocate expenditures budgeted for specific program offerings within a customer class to successful programs in another customer class when the co-operatives' experience shows that the market in that customer class is not responding to energy optimization program offerings and the change is reasonable and cost-effective.

F. Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and HomeWorks Tri-County Electric Cooperative may combine commercial and industrial primary and secondary classes into one commercial and industrial line item for purposes of reporting energy optimization program budgets, expenses, income, kilowatt-hour goals, and actual kilowatt-hour achievement.

G. Any self-directed member-customer of the co-operatives may amend its self-directed energy optimization program to extend the date of such program so that the total program is five years. Such self-directed member-customers may carry forward any achieved kilowatt-hour savings to the end of the amended five-year energy optimization program.

H. Because significant energy savings and reductions in carbon emissions are achieved from fuel switching, for purposes of calculating net energy savings found in MCL 460.1077, Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and HomeWorks Tri-County Electric Cooperative may include savings resulting from a member-customer participating in an energy optimization HVAC program or fuel switching pilot program that results in the member-customer thereafter undertaking fuel-switching that involves geothermal, air-to-air heat pumps, and solar thermal systems.

I. Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and

HomeWorks Tri-County Electric Cooperative may include savings resulting from load management activities when calculating net energy savings towards the kilowatt-hour goals found in MCL 460.1077.

J. The co-operatives' third-party evaluations shall be limited to the certification of gross kilowatt-hour savings.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

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Orjiakor N. Isiogu, Commissioner

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Greg R. White, Commissioner

By its action of November 10, 2011.

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Mary Jo Kunkle, Executive Secretary



In the matter, on the Commission's own motion,  
assigning docket numbers for the filing of biennial  
energy optimization plans and reconciliations for  
**PRESQUE ISLE ELECTRIC & GAS CO-OP** to fully  
comply with Public Act 295 of 2008.

Case No. U-16685

In the matter, on the Commission's own motion,  
assigning docket numbers for the filing of biennial  
energy optimization plans and reconciliations for  
**THUMB ELECTRIC COOPERATIVE** to fully  
comply with Public Act 295 of 2008.

Case No. U-16686

In the matter, on the Commission's own motion,  
assigning docket numbers for the filing of biennial  
energy optimization plans for  
**TRI-COUNTY ELECTRIC COOPERATIVE** to fully  
comply with Public Act 295 of 2008.

Case No. U-16687

### SETTLEMENT AGREEMENT APPROVING ENERGY OPTIMIZATION PLANS

On June 30, 2011, Alger Delta Cooperative Electric Association, Cloverland Electric Cooperative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-Op, Thumb Electric Cooperative, and HomeWorks Tri-County Electric Cooperative (collectively, "Applicants"), filed their Notices of Intent to file Energy Optimization ("EO") Plans on or before August 1, 2011.

On July 18, 2011, the Michigan Public Service Commission ("Commission") issued its Notice of Hearing for the Applicants' EO Plans. On August 1, 2011, Applicants filed applications with supporting testimony and exhibits seeking approval of the Applicants' EO Plans. As is permitted under Section 71 of PA 295 of 2008, MCL 460.1071(3)(h), the Applicants energy optimization programs are administered jointly

with each other, as well as four municipal utilities—the City of Escanaba, the Marquette Board of Light and Power, Newberry Water & Light Board, and the City of Stephenson. Collectively, this joint group is known as the Michigan Electric Cooperative Association Energy Optimization Collaborative (the “Collaborative”)

On August 9, 2011, the prehearing conference was held pursuant to the Commission’s Notice of Hearing. The Commission Staff (“Staff”) and Applicants participated in the proceedings. At the prehearing conference, Applicants presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships, and counties in the Applicants’ collective service areas, and also presented an affidavit evidencing the requisite publication of notice. The prehearing conference was conducted as a contested case matter pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.201 *et seq.* Because of a wrong intervention date being placed in the first Notices of Hearing, the parties agreed to mail and publish a second set of Notices of Hearing for rate-regulated members and notices of opportunity to comment for member-regulated cooperatives before September 27, 2011. Notices of opportunity to comment and a second set of Notices of Hearing were mailed and published according to the agreement of the parties at the August 9 prehearing. A second prehearing conference was scheduled and held on September 27, 2011. The second prehearing conference was conducted as a contested case matter pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.201 *et seq.* No other parties attempted to intervene or otherwise participate in this proceeding, and no comments were received within the comment period noticed for the member-regulated Applicants participating in this proceeding.

The parties have had extensive discussions, and have agreed to enter into this Settlement Agreement recommending approval of Applicants' EO Plans. In view of the foregoing, and pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended (1969 PA 306, § 78; MCL 24.278), Applicants and Staff hereby agree as follows:

A. Applicants' EO Plans and related surcharges are reasonable, appropriate, in the public interest, and consistent with Public Act 295 of 2008 and the Commission's Temporary Order issued in Case No. U-15800.

B. For Applicants that are rate-regulated by the Commission, Applicants may begin collection of the surcharges established in these EO Plans for bills rendered on and after January 1, 2012. No surcharge approval is necessary for Applicants that are member-regulated pursuant to Public Act 167 of 2008.

C. Proposed tariff sheets for those Applicants that are rate-regulated by the Commission are attached as Attachment 1.

D. As recognized by the Commission on numerous occasions, Michigan's rural electric cooperatives have several unique characteristics. Because of these characteristics, the parties agree that it is appropriate for the Commission to exercise its discretion pursuant to Section 71(3)(h) of PA 295 and allow the Applicants flexibility in designing their EO programs. Accordingly, the parties agree that, for purposes of energy optimization credits, all Applicants may collectively be treated as one entity. The parties agree that such treatment will allow for the practical and cost-effective administration of the proposed EO plans.

E. For purposes of determining compliance with the minimum energy savings found in Section 77 of Subpart B of PA 295 of 2008, MCL § 460.1077, each Michigan electric cooperative member of the Collaborative may be collectively treated as one provider. In other words, in determining whether incremental energy savings in a year are equivalent to 1% of total annual retail electricity sales in megawatt hours in the preceding year, the Applicants shall have the option to be treated as one provider. Each Applicant, however, shall still administer its EO Plan as described in its application, and shall charge the surcharges contained in the attached tariffs. Further, each rate-regulated Applicant shall file with the Commission, by June 30 of each year, an EO Reconciliation application.

F. Beginning with the 2012 reporting period, the Collaborative may file one EO Annual Report, which will be due on June 30 of each year. Although the Michigan electric cooperative members of the Collaborative may be treated as one provider, the Annual Report shall provide individualized information for each Applicant. The Collaborative shall request a new docket number from the Commission for purposes of filing the EO Annual Report.

G. The parties agree that Applicants' experience over the term of their initial EO plans demonstrates that one particular customer class is typically more responsive to EO program offerings than others. As a result, it is not feasible for Applicants to ensure that charges collected from a particular customer rate class are spent on energy optimization programs for that rate class without compromising the purpose of the EO programs and causing the overall EO program to fall short of its goal. For this reason, Applicants may reallocate expenditures budgeted for specific program offerings within a

customer class to successful programs in another customer class when the Applicant's experience shows that the market in that customer class is not responding to EO program offerings and the change is reasonable and cost effective.

H. Applicants may combine C&I Primary and Secondary classes into one C&I line item for purposes of reporting EO program budgets, expenses, income, kWh goals, and actual kWh achievement.

I. Any industrial or commercial member-customer of the Applicants that has opted to self-direct its own EO programs under Section 93 of PA 295 of 2008, MCL 460.1093, may amend its self-directed EO program to extend the date of such program so that the total program is five years, as is now permitted by the Commission pursuant to its August 25, 2011 Order in Case No. U-16563. The parties agree that if such amendment occurs, the self-directed member-customer may carry forward any achieved kWh savings for up to four years (i.e. to the end of the five-year EO program), as described by the Commission in its August 25, 2011 Order in Case No. U-16563.

J. The parties recognize that significant energy savings and reductions in carbon emissions are achieved from their member-customers participating in fuel-switching that involves geothermal, air-to-air heat pumps, and solar thermal systems. The parties therefore agree that, in calculating net energy savings towards the kWh goals found in Section 77 of Subpart B of PA 295 of 2008, MCL § 460.1077, Applicants' members may include savings resulting from a member-customer participating in an EO HVAC Program or a fuel switching pilot program that results in the member-customer

thereafter undertaking fuel-switching that involves geothermal, air-to-air heat pumps, and solar thermal systems.

K. In calculating net energy savings towards the kWh goals found in Section 77 of Subpart B of PA 295 of 2008, MCL § 460.1077, Collaborative members may include savings resulting from load management activities. The parties recognize that electric cooperatives' rates are determined through a TIER interest coverage approach with no recognition of the type of rate base approach used by the state's investor-owned utilities.

L. The parties recognize that an independent expert evaluation/validation of incremental energy savings for each Applicant would cause undue financial hardship. Accordingly, Applicants' third party evaluations will be limited to the certification of gross kWh savings.

M. No Party will appeal, challenge or contest the EO Plans approved by the Commission in this case if they are the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

N. Section 81 of the Administrative Procedures Act of 1969 is waived.

Dated: October 17, 2011

**Kristin M. Smith**

Digitally signed by Kristin M. Smith  
DN: cn=Kristin M. Smith, o=Michigan Attorney  
General, ou=Public Service Division, email, c=US  
Date: 2011.10.17 13:58:43 -04'00'

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**MICHIGAN PUBLIC SERVICE COMMISSION STAFF**

By: Kristin Smith (P46323)  
Heather Durian (P67587)  
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**Shaun Johnson**

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email=sjohnson@dykema.com, c=US  
Date: 2011.10.17 13:35:38 -04'00'

Dated: October 17, 2011

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**APPLICANT COOPERATIVES**

By: Albert Ernst (P24095)  
Shaun M. Johnson (P69036)  
Bret A. Totoraitis (P72654)  
DYKEMA GOSSETT PLLC  
201 Townsend, Suite 900  
Lansing, MI 48933  
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**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>
D-4.00	Schedule A – Farm and Home Service	\$0.00262
D-5.00	Schedule AS – Seasonal Residential Service	\$0.00262

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-6.00	Schedule B – Commercial and Small Power Service	\$2.48
D-8.00	Schedule LP – Large Power	\$48.26
D-9.00	Schedule LP-C – Large Power Service Rate – Choice	\$48.26

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Issued  
By Tom Harrell, Manager  
Gladstone, Michigan

Effective for bills rendered on and after

Issued under authority of the Board of Directors  
dated

### ENERGY OPTIMIZATION PROGRAM CLAUSE

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

### ENERGY OPTIMIZATION SURCHARGES

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>
D-7.00	Schedule FH – Farm and Home Service	\$0.00197
D-8.00	Schedule ES – Electric Select	\$0.00197
D-9.00	Schedule SR – Seasonal Residential Service	\$0.00197

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-10.00	Schedule GS –General Service	\$3.37
D-11.00	Schedule SGS – Seasonal General Service	\$3.37
D-12.00	Schedule LP – Large Power Service	\$183.99
D-13.00	Schedule HA – Commercial Heating and Air Conditioning	\$3.37
D-17.00	Schedule PSDS –Primary Substation Distribution Service	\$183.99
D-18.00	Schedule LP-MO – Large Power – Mining Operation	\$183.99
D-20.00	Schedule LP-C – Large Power Service Rate – Choice	\$183.99
D-21.00	Schedule PSDS – C – Primary Substation Distribution Service Rate – Choice	\$183.99
D-22.00	Schedule LP-MO-C – Large Power – Mining Operation Rate – Choice	\$183.99

Issued:  
By Dan Dasho  
General Manager  
Grawn, Michigan

Effective for service rendered on or after

Issued under the authority of the M.P.S.C.  
in Case No. U-16681

**SURCHARGE ADJUSTMENT**

Surcharges, as approved by the Commission, shall be applied to the monthly bills of jurisdictional electric customers. The following surcharges are in effect.

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

Customer Class	Edison Sault State Administered Energy Optimization Plan	Customer Self-directed Energy Optimization Plan
Residential Class – Rate R-1	\$0.0147/kWh	N/A
Small Commercial – Rates G-1 and H-A	\$3.37/month per meter	N/A
Large Commercial – Rates L-G, G-4, & L-M	\$183.99/month per meter	N/A
Industrial	\$183.99/month per meter	\$300.80/month per meter
Industrial – T.O.D.	\$183.99/month per meter	N/A

Issued:  
By Dan Dasho  
General Manager  
Grawn, Michigan

Effective for service rendered on or after

Issued under the authority of the M.P.S.C.  
in Case No. U-16681

**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>
D-5.00	Schedule -- Residential Service	\$0.00198
D-9.00	Schedule A-S -- Alternative Residential Service	\$0.00198

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-10.00	Schedule GS --General Service	\$4.76
D-11.00	Schedule LP -- Large Power Service	\$4.76
D-12.00	Schedule C-APM -- Service for Commercial & Industrial Loads Automated Power Monitoring	\$4.76
D-13.00	Schedule D-APM -- Service for Commercial & Industrial Loads Automated Power Monitoring	\$865.59
D-16.00	Schedule PSDS -- Primary Service Rate	\$865.59
D-18.00	Schedule LP-C -- Large Power Service Rate -- Choice	\$4.76
D-19.00	Schedule C-APM-C -- Service for Commercial & Industrial Loads Automated Power Monitoring Rate - Choice	\$4.76
D-20.00	Schedule D-APM-C -- Service for Commercial & Industrial Loads Automated Power Monitoring Rate - Choice	\$865.59
D-21.00	Schedule PSDS-C -- Primary Service Rate - Choice	\$865.59

Issued: August 1, 2011  
By Steven L. Boeckman  
President and CEO  
Boyne City, Michigan

Effective for service rendered on or after

Issued under the authority of the M.P.S.C.  
in Case No. U-16682

**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>	Self-directed Customer Surcharge <u>2012-2015</u> <u>\$/kWh</u>
D-5.00	Schedule A – Farm and Home Service	\$0.00198	N/A
D-8.00	Schedule I-DSH – Interruptible Dual Source Heating Service	\$0.00198	N/A

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-9.00	Schedule GS –General Service	\$1.76	N/A
D-11.00	Schedule IR – Irrigation Service	\$3.84	N/A
D-12.00	Schedule LP –Large Power	\$54.76	N/A
D-13.00	Schedule LP-2 – Large Power (Over 200 kW)	\$422.17	N/A
D-15.00	Schedule LPPS – Large Power Primary Service	\$2,888.19	NA

Issued:  
By: Robert L. Hance  
President and CEO  
Cassopolis, Michigan

Effective for service rendered on or after

Issued under the authority of the M.P.S.C.  
dated in Case No. U-16683

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**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>
D-4.00	Schedule A	\$0.00275
D-5.00	Schedule AH	\$0.00275
D-6.00	Schedule AS – Seasonal Residential Service	\$0.00275

  

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-7.00	Schedule B – General Service	\$1.85
D-8.00	Schedule LP –Large Power Service	\$19.25
D-19.00	Schedule LP 1 – Large Power Service (over 150 kW)	\$140.03
D-11.00	Schedule LP-1-C – Large Power (Over 150 kW – Choice )	\$140.03
D-12.00	Schedule LP-C - Large Power Service Rate – Choice	\$19.25

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Issued:  
By: **Debbie Miles**  
General Manager  
Ontonagon, Michigan

Effective for service rendered on or after  
July 1, 2009  
Issued under the authority of the M.P.S.C.  
in Case No. U-16684

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**ENERGY OPTIMIZATION PROGRAM CLAUSE**

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

**ENERGY OPTIMIZATION SURCHARGES**

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/kWh</u>
D-5.00	Schedule A -- Residential Service	\$0.00229
D-6.00	Schedule S -- Seasonal Residential Service	\$0.00229

  

<u>Sheet No.</u>	<u>Rate Schedule</u>	<u>2012-2015</u> <u>\$/meter/month</u>
D-10.00	Schedule GS -- General Services	\$3.10
D-11.00	Schedule LG -- Large General Service	\$74.14
D-12.00	Schedule LPTOD -- Optional Large Power Time-of-Day Service	\$74.14
D-13.00	Schedule PSDS -- Primary Service	\$400.99

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Issued:  
By: Brian Bu  
President and CEO  
Onaway, Michigan

Effective for service rendered on or after

Issued under the authority of the M.P.S.C.  
in Case No. U-16685

### ENERGY OPTIMIZATION PROGRAM CLAUSE

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

An energy optimization cost reconciliation shall be conducted annually.

The approved Energy Optimization Surcharges are shown below.

### ENERGY OPTIMIZATION SURCHARGES

<u>Sheet No.</u>	<u>Rate Schedule</u>	2012-2015 <u>\$/kWh</u>
D-4.00	Schedule A - Farm and Home Service	\$0.00216
D-5.00	Schedule A-TOD - Optional Farm and Home Time-of-Day Service	\$0.00216
D-6.00	Schedule A-S - Seasonal and Low Usage Farm & Home Service	\$0.00216
D-14.00	Schedule IGHP - Interruptible Central Air Conditioning or Heat Pump Service	\$0.00216
D-15.00	Schedule DF - Dual Fuel Heating Service	\$0.00216
D-16.00	Schedule ES - Energy Storage	\$0.00216

<u>Sheet No.</u>	<u>Rate Schedule</u>	2012-2015 <u>\$/meter/month</u>
D-7.00	Schedule SGS — Seasonal and Low Usage General Service	\$0.52
D-8.00	Schedule GS — General Service	\$3.57
D-9.00	Schedule GS-TOD — Optional General Time-of-Day Service	\$3.57
D-10.00	Schedule LGS — Large General Service	\$246.53
D-11.00	Schedule LPDS — Large Power Distribution Substation	\$276.68
D-18.00	Schedule PSR — Primary Supply Rate	\$276.68
D-19.00	Schedule LGS-C — Large General Service Rate-Choice	\$246.53
D-21.00	Schedule LPDS-C — Large Power Distribution Substation Rate-Choice	\$276.68
D-22.00	Schedule SB — Supplemental Electric Service	\$276.68

Issued:  
By: Dallas Braun  
General Manager  
Ubly, Michigan

Effective for service rendered on or after

Issued under the authority of the  
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