

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
JACKSON COUNTY RURAL ELECTRIC)
MEMBERSHIP CORPORATION FOR AUTHORITY)
TO INCREASE ITS RATES AND CHARGES FOR)
ELECTRIC SERVICE AND FOR APPROVAL OF)
MODIFICATIONS AND ADJUSTMENTS TO ITS)
DEPRECIATION SCHEDULES AND RULES AND)
REGULATIONS FOR ELECTRIC SERVICE.)

CAUSE NO. 43861

APPROVED: SEP 29 2010

BY THE COMMISSION:

David E. Ziegner, Commissioner
Angela Rapp Weber, Administrative Law Judge

On February 23, 2010, Jackson County Rural Electric Membership Corporation (“Petitioner”) filed a Petition with the Indiana Utility Regulatory Commission (“Commission”) in which it requested authority to increase its rates and charges for electric service. On April 26, 2010, the Petitioner filed the Direct Testimony and Exhibits of its General Manager, James E. Wheatley. On April 27, 2010, the Petitioner filed the Direct Testimony and Exhibits of Martin J. Blake, a member and principal of the Prime Group, LLC, which is a consulting service providing strategic planning, cost of service studies, rate and regulatory support, and training for energy industry clients.

On August 3, 2010, the Office of Utility Consumer Counselor (“OUCC”) filed the Settlement Testimony and Exhibits of Duane P. Jasheway, a Utility Analyst in the Electric Division of the OUCC and the Testimony of Ronald L. Keen, a Senior Analyst in the Resource Planning and Communications Division of the OUCC. Also, on August 3, 2010, the Petitioner filed the Settlement Testimony and Exhibits of James E. Wheatley. On September 3, 2010, Petitioner and the OUCC filed their Joint Proposed Order.

In accordance with the procedural schedule established by the Commission’s Prehearing Conference Order issued on March 31, 2010, an Evidentiary Hearing was scheduled in this matter for August 19, 2010 at 10:00 a.m. in Room 222, 101 West Washington Street, Indianapolis, Indiana. Pursuant to a Docket Entry dated July 22, 2010, the Evidentiary Hearing was converted to a Settlement Hearing. At the Settlement Hearing, the Petitioner offered into evidence the Direct Testimony and Exhibits of James E. Wheatley and Martin J. Blake. The Petitioner also offered into evidence the Settlement Testimony of Mr. Wheatley in support of the Settlement Agreement. The OUCC offered into evidence the Testimony and Exhibits of Duane P. Jasheway and Ronald L. Keen in support of the Settlement Agreement. The parties also offered into evidence the Settlement Agreement, with supporting exhibits. No members of the general public appeared or attempted to participate in this Cause.

The Commission, having considered the evidence in this Cause, and having reviewed the Settlement Agreement submitted by the parties, now finds:

1. **Notice and Jurisdiction.** Due, legal, and timely notice of the public hearings was given and published by the Commission as required by law. Petitioner provided notice of the filing of the Petition in this Cause as required by law. Petitioner is a rural electric membership corporation within the meaning of the Rural Electric Membership Corporation Act found at Ind. Code § 8-1-13, *et seq.* Petitioner is subject to the jurisdiction of the Commission for the purpose of fixing rates and charges pursuant to Ind. Code § 8-1-13-18 and Ind. Code §§ 8-1-13-17, 29, 30 and 38. Therefore, the Commission has jurisdiction over both the Petitioner and the subject matter of this proceeding.

2. **Petitioner's Characteristics.** Petitioner is a "local district" rural electric membership corporation, as defined by Ind. Code § 8-1-13-23, with its principal place of business located at 274 East Base Road, Brownstown, Indiana. Petitioner purchases power at wholesale from Hoosier Energy Rural Electric Cooperative, Inc., and distributes and sells electricity at retail to more than 24,000 consumers located within its assigned service areas in Jackson, Lawrence, Monroe, Brown, Bartholomew, Jennings, Scott, Jefferson, Clark, and Washington counties in Indiana. The Commission approved Petitioner's existing rates by its Order issued July 15, 1998 in Cause No. 41092.

3. **Relief Requested.** Petitioner requested additional annual revenues of \$1,529,711 to produce total annual revenues of \$50,203,124 and a revenue requirement of \$50,273,570, or an approximate rate increase of 3.19%. Petitioner proposed allocating this rate increase among its member rate classifications pursuant to a cost of service study. Finally, Petitioner proposed that the twelve-month period ending November 30, 2009 be used as its test year.

4. **Petitioner's Evidence.** General Manager James E. Wheatley testified on behalf of Petitioner. He stated that a rate increase was needed to generate \$1,529,711 of additional revenue because of increased costs incurred since Petitioner's last rate case in 1998. Mr. Wheatley testified that with respect to the time-of-use charges, its wholesale supplier, Hoosier Energy, implemented a new tariff effective April 1, 2010. Mr. Wheatley stated that the Petitioner proposes to offer its customers the option of time-of-use charges in the usage component of their electric bill

The Petitioner also offered testimony of Martin J. Blake of the Prime Group, LLC. Mr. Blake prepared a Cost of Service Study Report for the Petitioner. Mr. Blake testified that his Cost of Service Study indicated that the facility charge for small facilities of \$15 per month and \$30 per month for larger facilities does not adequately recover customer-related cost. His exhibits proposed an increase in the Petitioner's Rate A facility charge for a single-phase customer from \$15 per month to \$25 per month. Also, the facility charge for three-phase customers was increased from \$30 per month to \$45 per month. Mr. Blake also testified that a higher facility charge will stabilize the Petitioner's revenues so that the variation in sales due to extreme weather will not translate into a wide variation of month-to-month revenue. He added that a higher facility charge will also stabilize the customer's energy bill throughout the year. Mr. Blake also testified that an increase of the facility charge in relation to the energy use charges will increase the Petitioner's ability to pursue energy efficiency and conservation.

5. **Settlement Agreement and Testimony.** The parties agreed that Petitioner's pro forma annual operating revenue of \$48,673,413 at present rates is insufficient to meet its statutory revenue requirements. Therefore, the parties requested that the Commission approve the Settlement Agreement with respect to Petitioner's revenue requirements and find that Petitioner should be granted authority to increase its rates and charges for electric distribution service by \$1,506,939, or 3.14%, to produce total annual operating revenue from rates and charges for electric distribution services of \$50,180,352. Additionally, the parties requested the Commission approve the phase-in of the proposed increase in

the Petitioner's Rate A facility charge from \$15 per month to \$18 for a two-year period and then to \$20 thereafter, and for three-phase service to increase the facility charge from \$25 to \$38 for a two-year period and then \$40 thereafter. Furthermore, the parties agreed that customers wishing to select an offered time-of-use pricing option would be allowed to opt out after a six-month initial trial period.

Mr. Wheatley testified in support of the Settlement Agreement and a revenue increase of \$1,506,939. He explained that the agreed-to revenue increase is \$22,772 less than Petitioner's initial request and was achieved by lowering Rate A energy rates. Attached to Mr. Wheatley's testimony were exhibits that depicted the agreed-to additional revenue requirements and the phased-in facility charge described previously. Mr. Wheatley supported the provision permitting Petitioner's customers who select the time-of-use pricing option to opt out after a six-month initial trial period. Finally, Mr. Wheatley stated that Petitioner will provide the OUCG with a report two years after the implementation of the time-of-use option, which will depict this option's success and acceptance by customers.

The OUCG filed the testimony of Duane P. Jasheway and Ronald L. Keen in support of the Settlement Agreement. Mr. Jasheway testified that the proposed Settlement Agreement is in the interest of ratepayers. He stated the OUCG accepted twenty-eight of the Petitioner's thirty adjustments and explained the OUCG's two proposed adjustments. According to Mr. Jasheway, Petitioner originally estimated its total rate case expense to be \$88,700 for attorney and consultant fees. However, the Petitioner only incurred \$56,307 in rate case expenses as of the filing of Mr. Jasheway's testimony. Thus, the parties agreed to reduce rate case expense to \$65,000 and amortize the amount over five years instead of three years, resulting in an annual expense of \$13,000. Mr. Jasheway adjusted Petitioner's property tax expense to reflect Petitioner's most recent property tax bill of \$300,350, which resulted in an annual difference of \$5,870. As a result of these adjustments, the parties agreed Petitioner's Indiana Utility Receipts Tax should be reduced from \$21,416 to \$21,097 annually, for a difference of \$319. Mr. Jasheway concluded by supporting the proposed tariff modifications concerning Petitioner's fixed charges.

The OUCG also offered the testimony of Ronald L. Keen who testified that he reviewed and studied a number of resources regarding the development and deployment of Smart Grid technology. Mr. Keen explained the Smart Grid deployment in Petitioner's service territory and how such deployment was accomplished without the utility requesting cost recovery, establishing a tracker, or otherwise seeking additional funding from customers. Finally, Mr. Keen discussed how such technology could provide both system and societal benefits to Petitioner and its ratepayers.

6. Commission Findings. The Commission begins with the general statement that settlements presented to the Commission are not ordinary contracts between private parties. *United States Gypsum, Inc. v. Indiana Gas Company*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss". *Id.* (quoting *Citizens Action Coalition v. PSI Energy*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coalition*, 664 N.E.2d at 406.

Furthermore, any Commission decision, ruling, or Order, which includes the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *United States Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coalition v. Public Service Co.*, 582 N.E.2d 330,

331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code § 8-1-2 *et seq.*, and that such agreement serves the public interest.

Based on the evidence presented in this Cause, the Commission finds that the Settlement Agreement, a copy of which is attached hereto and incorporated herein, represents a comprehensive resolution of the issues presented in this Cause, is in the public interest, and should be approved. The Settlement Agreement also meets the requirements set forth in Ind. Code § 8-1.5-3-8. We find, therefore, that the Settlement Agreement should be approved in its entirety and without change. Accordingly, Petitioner's current rates and charges for retail electric service should be increased so as to produce additional operating revenues from rates and charges for service of \$1,506,939, total pro forma annual revenues of \$50,180,352, and a total revenue requirement of \$50,251,117 as detailed below:

<u>Revenue Requirement</u>	<u>Settlement Agreement</u>
Operations and Maintenance	\$ 7,767,336
Purchased Power	35,942,871
Taxes Other Than Income Taxes	982,093
Debt Service Requirements	285,769
Extensions and Replacements	5,273,048
Total Revenue Requirements	<u>\$ 50,251,117</u>
Interest Income	(69,887)
Other Income	(21,975)
Net Revenue Requirements	<u>\$ 50,159,255</u>
Less Revenues at Current Rates Subject to Increase	(47,918,535)
Less Other Revenues at Current Rates	(754,878)
Net Revenue Increase Required	<u>\$ 1,485,842</u>
Add: Utility Receipts Tax	21,097
Net Revenue in Case Required	<u><u>\$ 1,506,939</u></u>
Percent Increase	3.14%

Further, Petitioner's rate increase for the Rate A charge shall be phased-in and increase from \$15 per month to \$18 for a two-year period and then to \$20 thereafter. Also, the facility charge for three-phase service will increase from \$25 to \$38 for a two-year period and then \$40 thereafter. Any of Petitioner's customers who wish to select an offered time-of-use pricing option are permitted to opt out after a six-month initial trial period. Petitioner will provide to the OUCC a report two years after the implementation of the time-of-use option, which will generally depict the time-of-use option's success and acceptance by customers.

Finally, with regard to future use, citation or precedent of the Settlement Agreement, the Commission finds that our approval of the terms of the Settlement Agreement should be construed in a manner consistent with our finding in *In Re Richmond Power & Light*, Cause No. 40434, Order dated March 19, 1997.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement filed in this Cause is hereby approved in its entirety pursuant to Paragraph 6.

2. Petitioner is hereby authorized to increase its basic rates for electric distribution service to produce additional annual revenue of \$1,506,939 and total annual revenue of \$50,180,352.

3. Petitioner shall file with the Electricity Division of the Commission new schedules of rates and charges before placing in effect the rate increase authorized herein, which schedules, when approved by the Electricity Division, shall be effective and shall cancel all previously approved schedules of rates and charges in conflict therewith.

4. This Order shall be effective on and after the date of its approval

HARDY, ATTERHOLT, LANDIS AND ZIEGNER CONCUR; MAYS ABSENT:

APPROVED: SEP 29 2010

I hereby certify that the above is a true and correct copy of the Order as approved.



Brenda A. Howe
Secretary to the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF JACKSON)
COUNTY RURAL ELECTRIC MEMBERSHIP)
CORPORATION FOR AUTHORITY TO INCREASE)
ITS RATES AND CHARGES FOR ELECTRIC)
SERVICE AND FOR APPROVAL OF)
MODIFICATIONS AND ADJUSTMENTS TO ITS)
DEPRECIATION SCHEDULES AND RULES AND)
REGULATIONS FOR ELECTRIC SERVICE.)

CAUSE NO. 43861

**JOINT STIPULATION AND AGREEMENT BETWEEN JACKSON COUNTY
REMC AND THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

On February 23, 2010, Jackson County REMC ("Petitioner" or "JCREMC"), filed with the Indiana Utility Regulatory Commission ("Commission") a Verified Petition for authority to change and increase its rates, charges, rules, regulations, and depreciation schedules for electric utility service to its members. Prior to the August 19, 2010 public evidentiary hearing in this Cause, Petitioner and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively referred to as "the Parties") communicated with each other regarding the possibility of settling this Cause and notified the Commission that they had reached an agreement with respect to all of the issues before the Commission subject to preparation and execution of a written definitive agreement. Petitioner and the OUCC agree to the following matters:

1. Petitioner's Operating Revenues. The Parties have reached an agreement concerning the revenue requirements for Petitioner under Indiana Code § 8-1-13-18, which agreement is reflected in the accounting schedule attached as Joint Settlement Exhibit 1. The Parties agree that Petitioner's total pro forma operating revenues should be increased from \$48,673,413 to \$50,180,353.

2. Petitioner's Annual Revenue Requirements. Petitioner's annual revenue requirements determined pursuant to Ind. Code § 8-1-13-18 on the evidence of record and agreed to by the Parties, are as follows:

<u>Revenue Requirement</u>	<u>Amount Agreed and Stipulated</u>
Operations and Maintenance	\$ 7,767,336
Purchased Power	\$ 35,942,871
Taxes Other Than Income Taxes	\$ 982,093
Debt Service Requirements	\$ 285,769
Extensions and Replacements	\$ 5,273,048
 Total Revenue Requirements	 \$ 50,251,117
Interest Income	\$ (69,887)
Other Income	\$ (21,975)
 Net Revenue Requirements	 \$ 50,159,255
Less Revenues at Current Rates Subject to Increase	\$(47,918,535)
Less Other Revenues at Current Rates	\$ (754,878)
 Net Revenue Increase Required	 \$ 1,485,842
Add: Utility Receipts Tax	\$ 21,097
 Net Revenue in Case Required	 \$ 1,506,939
 Percent Increase	 3.14%

3. Amount of Stipulated Rate Increase and Approval of Changes to Rate Schedules. The Parties agree that Petitioner's current rates and charges for electric service should be increased so as to produce an additional \$1,506,939 in annual revenues and a total annual revenue requirement of \$50,251,117, representing a 3.14% increase in rates and charges, as shown in Joint Settlement Exhibit 1.

4. Fixed Charge. The Parties agree that the for the first two (2) years after the Commission issues a Final Order in this Cause, Petitioner's fixed charge shall be increased to \$18 (basic service single phase at 120/240 volts) and \$38 (basic service three-phase service or other single phase service). At the conclusion of the of the two (2)

year period, the parties agree Petitioner's fixed charge shall be increased to \$20 (basic service single phase at 120/240 volts) and \$40 (basic service three-phase service or other single phase service), with a corresponding reduction in the Schedule "A" Basic Service energy rates. Attached to the Tariff identified as Joint Settlement Exhibit 2 is a calculation of the fixed charges and the corresponding energy rates.

5. Allocation of Agreed Upon Increase in Operating Revenues. The Parties agree that the cost-of-service study prepared by The Prime Group, LLC (submitted as Petitioner's Exhibits MJB-5 and described in the Direct Testimony of Martin J. Blake) is reasonable and should be used by Petitioner to establish a new schedule of rates and charges implementing the authorized increase in operating revenues.

6. Time of Use Rates: The parties agree Petitioner shall implement a voluntary time of use rate as outlined in Option T – Time of Use pricing and the Terms and Conditions of Service of the Tariff attached as Joint Settlement Exhibit 2. Petitioner shall provide a report to the OUCC on the progress of the time of use pricing, including customer acceptance and response to the embedded price signals within two (2) years following implementation of the time-of-use option, or upon request by either the OUCC or the Commission.

7. Admission of Evidence. The Parties stipulate to the admission into evidence of their respective pre-filed testimony and exhibits, including JCREMC's Direct Testimony and the Parties' testimony in support of the Settlement Agreement. The Parties further agree to waive cross-examination of the other Party's witnesses. The Parties will jointly sponsor this Settlement Agreement and Joint Settlement Exhibits 1 and 2 at the August 19, 2010 settlement hearing.

8. Mutual Conditions on Settlement Agreement. The Parties agree for purposes of establishing new rates and charges for Petitioner that the terms and conditions set forth in this Settlement Agreement are supported by the evidence and based on the Parties' independent review of the evidence, represent a fair, reasonable and just resolution of all the issues in this Cause, subject to their incorporation in a Final Order without modification or further condition, which may be unacceptable to either party. If the Commission does not approve this Settlement Agreement in its entirety and incorporate it into a Final Order as provided above, it shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Parties. Petitioner and the OUCC represent that there are no other agreements in existence between them relating to the matters covered by this Settlement Agreement.

9. Non-Precedential. As a condition precedent to the Settlement Agreement, the Parties condition their agreement on the Commission's approval of the Final Order submitted in this Cause and that it is not the Commission's intent to allow this Settlement Agreement or the Order approving it to be used as an admission or as a precedent against the signatories hereto except to the extent necessary to enforce the terms of the Settlement Agreement. The Parties agree that this Settlement Agreement shall not be construed, nor be cited as precedent by any person or deemed an admission by any party in any other proceeding, except as necessary to enforce its terms before the Commission, or before any court of competent jurisdiction on these particular issues. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein is without prejudice to and shall not constitute a waiver of any position that either of the Parties may take with respect to any or all of the items resolved herein in

any future regulatory or other proceedings and, failing approval by the Commission, shall not be admissible in any subsequent proceedings.

10. Authority to Stipulate. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will be bound thereby.

Respectfully submitted,

Dated: August 2, 2010

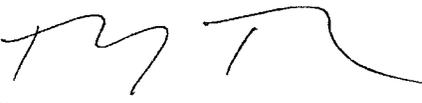
JACKSON COUNTY REMC

By: **Andrew Wright**
Digitally signed by Andrew Wright
DN: cn=Andrew Wright, c=US,
o=ANDREW WRIGHT, PC,
e=andrew@blueriver.net
Date: 2010.08.03 15:31:43 -0400

Andrew Wright
Counsel for Jackson County REMC

Dated: August 2, 2010

INDIANA OFFICE OF UTILITY CONSUMER
COUNSELOR

By: 

Terry W. Tolliver
Deputy Consumer Counselor

JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

Schedule "A" - Basic Service

Character of Service - Alternating current, sixty Hz, at a voltage of approximately 120/240 volts 3-wire, 120/208 volts 4-wire, 120/240 volts 4-wire, or 277/480 volts 4-wire

Availability - Available to any account with capacity requirements of 50 kVa or less

Basic Service Charge

- \$18.00 per month for single phase service at 120/240 volts
- \$38.00 per month for three-phase service or other single phase service

Energy Charges ⁽¹⁾ (Option Y, Option S, or Option T must be selected)

Option Y - Year-round (Flat) pricing

\$0.092553 per kWh for all months

Option S - Seasonal pricing

For December, January, and February calendar months
\$0.106070 per kWh during all hours

For March, April, and May calendar months
\$0.063776 per kWh during all hours

For June, July, and August calendar months
\$0.123114 per kWh during all hours

For September, October, and November calendar months
\$0.063776 per kWh during all hours

Option T - Time-of-use pricing ⁽²⁾

For December, January, and February calendar months
\$0.265098 per kWh during "Winter on-peak hours"
\$0.067549 per kWh during all other hours
"Winter on-peak hours": Monday - Friday, 7 am to 10 am & 6 pm to 9 pm EST ⁽³⁾

For March, April, and May calendar months
\$0.063068 per kWh during all hours

For June, July, and August calendar months
\$0.312504 per kWh during "Summer on-peak hours"
\$0.101749 per kWh during "Summer shoulder hours"
\$0.069353 per kWh during all other hours
"Summer on-peak hours": Monday - Friday, 4 pm to 9 pm EDT ⁽³⁾
"Summer shoulder hours": Monday - Friday, 12 noon to 4 pm & 9 pm to 10 pm EDT ⁽³⁾

For September, October, and November calendar months
\$0.063068 per kWh during all hours

⁽¹⁾ See Appendix "A" for energy charge adjustments

⁽²⁾ Option T will be available when the necessary billing infrastructure is in place.

⁽³⁾ Excludes Independence Day, Christmas Day, and New Years Day

JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

Schedule "A" – Basic Service

Terms and Conditions of Service

Energy Charge Options – An account will be billed Energy Charges according to its choice of *Option Y – Year-round pricing* (the default option), *Option S – Seasonal pricing*, or *Option T – Time-of-use pricing*. Every twelve months an account is eligible to select a new Energy Charge Option. An account that elects time-of-use pricing for the first time may elect a different option following a six month initial trial period.

If a service location has changed hands and been billed under multiple Energy Charge Options during the previous twelve months, REMC reserves the right to require a new account to begin service for the initial twelve months under *Option Y – Year-round pricing*.

Metering and Billing – Appropriate metering will be installed by REMC. At times reasonable estimates will be made due to the unavailability of needed billing determinants. KWh usage may be prorated between billing rate periods.

Minimum Monthly Charge - The minimum monthly charge shall be the Basic Service Charge, except for those consumers who have contracted for higher minimums to guarantee line extension investments.

Equalized Monthly Payment Plan – Jackson County REMC will agree to bill a residential consumer each month for eleven months an amount equal to one-twelfth of the estimated annual consumer billing. On the twelfth month of such agreement, consumer will be billed the balance owed on his account. REMC shall have the right to make new estimates and compute a new monthly billing level based on actual usage at any time during the year and may discontinue such billing for reasons of delinquent payment.

Terms of Delivery – The charges under each rate schedule are based upon the supply of service through a single delivery and metering point, and at a single service voltage. If service is supplied to the same consumer through more than one point of delivery or at different service voltages, the supply of service at each delivery and metering point and at each different service voltage shall be separately metered and billed. Each family residential unit shall be served separately. Service is supplied in accordance with rules prescribed by the Indiana Utility Regulatory Commission and also the Bylaws and the Rules and Regulations of Jackson County REMC.

Limitations on Connected Equipment – Jackson County REMC may require corrective measures or devices for any motor or other connected load that in the opinion of REMC will cause undue voltage fluctuations to other customers. Operation of any motor in excess of ten (10) horsepower must be approved by REMC and may continue only at the discretion of REMC. If three-phase service is supplied, all motors in excess of ten (10) horsepower shall be connected three-phase.

Consumer Facilities – All equipment and facilities beyond the metering point shall be furnished and maintained by the consumer.

Resale – No resale of power purchased under these schedules is permitted.

Line Extension Cost – Line extension policies may require payment of extension costs if added facilities are required solely to provide requested service. All necessary equipment will be furnished, owned and maintained by REMC.

Late Payment Charge – If a bill is not paid within seventeen (17) days after the bill is mailed, it shall become a delinquent bill and a late payment charge may be added in the amount of ten percent (10%) of the first three dollars (\$3.00) and three percent (3%) of the excess of three dollars (\$3.00).

JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

Schedule "A" – Basic Service

Character of Service - Alternating current, sixty Hz, at a voltage of approximately 120/240 volts 3-wire, 120/208 volts 4-wire, 120/240 volts 4-wire, or 277/480 volts 4-wire

Availability - Available to any account with capacity requirements of 50 kVa or less

Basic Service Charge

- \$20.00 per month for single phase service at 120/240 volts
- \$40.00 per month for three-phase service or other single phase service

Energy Charges ⁽¹⁾ (Option Y, Option S, or Option T must be selected)

Option Y – Year-round pricing

\$0.091086 per kWh for all months

Option S – Seasonal pricing

For December, January, and February calendar months
\$0.104603 per kWh during all hours

For March, April, and May calendar months
\$0.062309 per kWh during all hours

For June, July, and August calendar months
\$0.121646 per kWh during all hours

For September, October, and November calendar months
\$0.062309 per kWh during all hours

Option T – Time-of-use pricing ⁽²⁾

For December, January, and February calendar months
\$0.263631 per kWh during "Winter on-peak hours"
\$0.066081 per kWh during all other hours
"Winter on-peak hours": Monday – Friday, 7 am to 10 am & 6 pm to 9 pm EST ⁽³⁾

For March, April, and May calendar months
\$0.061600 per kWh during all hours

For June, July, and August calendar months
\$0.311036 per kWh during "Summer on-peak hours"
\$0.100282 per kWh during "Summer shoulder hours"
\$0.067885 per kWh during all other hours
"Summer on-peak hours": Monday – Friday, 4 pm to 9 pm EDT ⁽³⁾
"Summer shoulder hours": Monday – Friday, 12 noon to 4 pm & 9 pm to 10 pm EDT ⁽³⁾

For September, October, and November calendar months
\$0.061600 per kWh during all hours

⁽¹⁾ See Appendix "A" for energy charge adjustments

⁽²⁾ Option T will be available when the necessary billing infrastructure is in place.

⁽³⁾ Excludes Independence Day, Christmas Day, and New Years Day

JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

Schedule "A" – Basic Service

Terms and Conditions of Service

Energy Charge Options – An account will be billed Energy Charges according to its choice of *Option Y – Year-round pricing* (the default option), *Option S – Seasonal pricing*, or *Option T – Time-of-use pricing*. Every twelve months an account is eligible to select a new Energy Charge Option. An account that elects time-of-use pricing for the first time may elect a different option following a six month initial trial period.

If a service location has changed hands and been billed under multiple Energy Charge Options during the previous twelve months, REMC reserves the right to require a new account to begin service for the initial twelve months under *Option Y – Year-round pricing*.

Metering and Billing – Appropriate metering will be installed by REMC. At times reasonable estimates will be made due to the unavailability of needed billing determinants. KWh usage may be prorated between billing rate periods.

Minimum Monthly Charge – The minimum monthly charge shall be the Basic Service Charge, except for those consumers who have contracted for higher minimums to guarantee line extension investments.

Equalized Monthly Payment Plan – Jackson County REMC will agree to bill a residential consumer each month for eleven months an amount equal to one-twelfth of the estimated annual consumer billing. On the twelfth month of such agreement, consumer will be billed the balance owed on his account. REMC shall have the right to make new estimates and compute a new monthly billing level based on actual usage at any time during the year and may discontinue such billing for reasons of delinquent payment.

Terms of Delivery – The charges under each rate schedule are based upon the supply of service through a single delivery and metering point, and at a single service voltage. If service is supplied to the same consumer through more than one point of delivery or at different service voltages, the supply of service at each delivery and metering point and at each different service voltage shall be separately metered and billed. Each family residential unit shall be served separately. Service is supplied in accordance with rules prescribed by the Indiana Utility Regulatory Commission and also the Bylaws and the Rules and Regulations of Jackson County REMC.

Limitations on Connected Equipment – Jackson County REMC may require corrective measures or devices for any motor or other connected load that in the opinion of REMC will cause undue voltage fluctuations to other customers. Operation of any motor in excess of ten (10) horsepower must be approved by REMC and may continue only at the discretion of REMC. If three-phase service is supplied, all motors in excess of ten (10) horsepower shall be connected three-phase.

Consumer Facilities – All equipment and facilities beyond the metering point shall be furnished and maintained by the consumer.

Resale – No resale of power purchased under these schedules is permitted.

Line Extension Cost – Line extension policies may require payment of extension costs if added facilities are required solely to provide requested service. All necessary equipment will be furnished, owned and maintained by REMC.

Late Payment Charge – If a bill is not paid within seventeen (17) days after the bill is mailed, it shall become a delinquent bill and a late payment charge may be added in the amount of ten percent (10%) of the first three dollars (\$3.00) and three percent (3%) of the excess of three dollars (\$3.00).