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October 3, 2000

Ms. Dorothy Wideman
Executive Secretary
Michigan Pubic Service Commission
6545 Mercantile Way, Ste. 7
Lansing, MI 48911

Re: Case No. U-12660
Presque Isle Electric & Gas Co-op
Electric Member Choice Program/Restructuring Plan

Dear Ms. Wideman:

Enclosed please find original and four copies of Presque Isle Electric & Gas Co-op's Restructuring Plan in the above referenced matter, as required by the Commission's June 19, 2000 order in Case No. U-12464.

As we advised your office by telephone yesterday, our email system went down yesterday afternoon. Thus, we were unable to transmit/receive attachments to/from our client and consultants. This required that the filing be submitted on the morning of October 3, 2000 rather than on October 2, 2000.

If there are questions or comments, do not hesitate to contact me.

Sincerely,

DYKEMA GOSSETT PLLC

Albert Ernst

cc: Marty Thomson, Byron Nolde
Craig Borr, Kim Molitor
Dennis Eicher, Jeff Laslie

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of Presque Isle Electric & Gas Co-op's compliance filing relative to the restructuring plan required by 2000 PA 141 and the Commission's June 19, 2000 opinion and order in Case No. U-12464.	)))))	**Case No. U-12660**

RESTRUCTURING PLAN

This submission sets forth Presque Isle Electric & Gas Co-op's (*"Presque Isle"* or *"the Cooperative"*)[1/] plan to restructure the way in which it conducts its businesses in order to allow certain of its retail members the opportunity to choose their energy supplier *("Electric Member Choice Program").* This Restructuring Plan *("plan")* is intended to be consistent with 2000 PA 141 and the Michigan Public Service Commission's (*"MPSC"* or *"Commission"*) Opinion and Order in Case No. U-12464, dated June 19, 2000 *("June 2000 order").*

The June 2000 order required each cooperative utility with any member having a peak load of one megawatt or more *("1 MW members")* to file, no later than October 2, 2000, a restructuring plan in compliance with 2000 PA 141 to permit such 1 MW members to choose an

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1/ Presque Isle is one of four member distribution cooperatives who purchase all of their power and energy requirements from Wolverine Power Supply Cooperative, Inc. *("Wolverine").* The four distribution cooperative member-systems who collectively own Wolverine, are:

- Cherryland Electric Cooperative *("Cherryland")*;
- Great Lakes Energy Cooperative *("Great Lakes")*;
- Presque Isle Electric & Gas Co-op *("Presque Isle")*;
- HomeWorks Tri-County Electric Cooperative *("HomeWorks")*;

Effective January 1, 1998, Wolverine is no longer regulated by the MPSC, but instead is regulated by the Federal Energy Regulatory Commission *("FERC").*

alternative electric supplier *("AES")* no later than January 1, 2002. This submission has been docketed by the Commission's Executive Secretary as Case No. U-12660.

While 2000 PA 141 does not require Presque Isle to provide an Electric Member Choice Program until January 1, 2002 (§10x(1)), subject to the conditions set forth herein, Presque Isle *voluntarily* agrees to provide an Electric Member Choice Program to its 1 MW members a year earlier than required, *i.e.*, on January 1, 2001. This agreement will be evidenced by a statement to be submitted by Presque Isle's Chief Executive Officer confirming the above. The statement will include an affirmation that all necessary approvals from Presque Isle's Board of Directors have been obtained. It is anticipated that the statement will be submitted to the Commission no later than November 1, 2000.

Presque Isle's *voluntary* agreement to provide an Electric Member Choice Program to its 1 MW members effective January 1, 2001, is conditioned on Presque Isle's existing all requirements power supplier, Wolverine Power Supply Cooperative, Inc. *("Wolverine")* or a member of Wolverine, being eligible to participate in retail sales as a licensed AES. Upon information and belief, Wolverine or a member of Wolverine will soon be applying for an AES license pursuant to 2000 PA 141, §10a. In the event Wolverine or a member of Wolverine is prevented from participating as an AES, Presque Isle withdraws its agreement to voluntarily provide an Electric Member Choice Program to its 1 MW members effective January 1, 2001.

Attached to this submission are (i) An Electric Member Choice Program Guidebook (including transmission reservation information prepared by Wolverine) and (ii) a proposed Large Power Open Access Service ("Schedule LPOA") tariff.

This filing is the result of a collaborative effort with representatives of Great Lakes Energy Cooperative, HomeWorks Tri-County Electric Cooperative and Cherryland Electric Cooperative. In preparing the attached, the parties realize that there are significant regulatory and coordination issues to be addressed. In many cases, Commission Staff feedback will be required. Presque Isle realizes that the Electric Member Choice Program for its 1 MW members will necessarily evolve in this and related proceedings. Accordingly, Presque Isle reserves the right to revise or withdraw the attached prior to final approval of the required tariffs and related service elements if the Commission Staff adversely incorporates revisions to the Electric Member Choice Program.

WHEREFORE, Presque Isle Electric & Gas Co-op respectfully requests that the Commission accept this submission as being in compliance with the June 2000 order.

Respectfully submitted,

PRESQUE ISLE ELECTRIC & GAS CO-OP

By: ______________________

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Dated: October 2, 2000
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Electric Member Choice

Presque Isle Electric & Gas Co-op

Electric Member Choice

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Electric Member Choice Program

Introduction

Presque Isle Electric & Gas Cooperative (PIE&G) is pleased to offer its *Electric Member Choice Program.* This program follows the initiative of the State of Michigan to encourage competition in the electric industry and allows members of PIE&G the opportunity to buy electrical energy from an Alternative Electric Supplier (AES) of their choice. By allowing competition for electrical energy, it is possible for some electric members to potentially reduce their cost of electrical energy.

AESs are the entities from which a member can choose to purchase electrical energy. An AES must be licensed by the State of Michigan and may generate, purchase or broker electrical energy for sale to retail members. It is the member's responsibility to evaluate the proposals from AESs and select the AES that best meets its needs.

What Services Can I Choose?

It is important to understand that not all of the services PIE&G either directly or indirectly provides are open to competition. Stated simply, a retail member may choose the provider of the electrical energy it purchases, but PIE&G and other entities that currently deliver electrical energy to the member's premises will continue to provide that service.

There are practical reasons why a member may purchase the electrical energy competitively but not its delivery. Electrical energy is transported at high voltages over a transmission system from a generation source to a distribution system. After transformation, the distribution system then delivers the electrical energy at lower voltages to the member. Both the transmission system and the distribution system consist of wires, poles, transformers and other equipment necessary to transport the electrical energy. The transmission system[1] can deliver electrical energy from any

[1] Transmission systems can span hundreds of miles and, through interconnections between multiple transmission system owners, transport electrical energy over much longer distances.

physically connected generation source to the distribution system and on to the member.

Since the combined transmission and distribution systems can deliver electrical energy from many different sources to the member, there is no practical need to duplicate these facilities to facilitate a competitive power market. The cost of duplicating these facilities, both economically and aesthetically, far outweighs the potential benefits of opening delivery services up to competition. Accordingly, steps have been taken to restructure the electric industry and it has been concluded that competitive delivery services are not in the public interest.

Who Provides These Services?

To participate in the *Electric Member Choice Program*, a member will receive services from various providers. These include:

Presque Isle Electric & Gas Cooperative – Just as it is now, PIE&G is the primary contact for electric service. Under the *Electric Member Choice Program*, PIE&G arranges for the physical connection of the member's facilities to the distribution system and provides metering equipment, meter data processing, bill processing and other member support services. Fees as set forth in the Large Power Open Access Tariff (LPOA) and other administrative fees as described herein will apply.

Alternative Electric Supplier – If a member chooses to participate in the *Electric Member Choice Program*, the member must arrange electrical energy supply service with an AES. The AES provides the actual electrical energy consumed by the member and may make arrangements for delivery of the electrical energy to PIE&G through the transmission system.

If asked, PIE&G will provide the member the Michigan Public Service Commission's (MPSC) list of licensed AESs or refer the member to the MPSC's website. However, it is the sole responsibility of the member to select an AES and PIE&G does not warrant the assertions or qualifications of any AES. Further, there is no guarantee that the member will reduce its cost of electricity by participating in the *Electric Member Choice Program*.

Using This Guidebook

This guidebook provides an outline of the steps necessary to receive service under the *Electric Member Choice Program*. It addresses the requirements for a member and/or AES to arrange delivery of electrical energy from an alternative electrical energy source to the member. In addition to this guidebook, the member and/or an AES may contact PIE&G directly at:

Phone: 1-517-733-8515

Fax: 1-517-733-2247

Address: 19831 M-68 Highway
P.O. Box 308
Onaway, Michigan 49765

Email: choice@pieg.com

Regulatory Requirements

Retail Members

A retail member does not need a license to participate in the *Electric Member Choice Program*. However, the member must meet the eligibility requirements described in this guidebook and contact PIE&G or an AES.

Alternative Electric Suppliers

AESs must comply with certain regulatory requirements before they can begin service to a retail member under the *Electric Member Choice Program*. Michigan law, 141 PA 2000 requires an AES to be licensed by the Michigan Public Service Commission (MPSC). The MPSC established the terms and conditions for obtaining a license as an AES in its order in Case No. U-11915. For information on obtaining a license as an AES, contact:

Alternative Electric Supplier Program
Licensing and Enforcement Division
Michigan Public Service Commission
P. O. Box 30221
Lansing, Michigan 48909

Or visit the MPSC's website address at:

cis.state.mi.us/mpsc

Presque Isle Electric & Gas Cooperative

PIE&G's Rate Schedule LPOA - Large Power Open Access Service contains the charges applicable to standard delivery services provided as part of the *Electric Member Choice Program*. This rate, as well as the *Electric Member Choice Program* itself, is subject to the approval of the Michigan Public Service Commission.

MEMBER ENROLLMENT

Members with an established demand greater than 1,000 kW (see Schedule LPOA for further details), who wish to participate in *the Electric Member Choice Program*, must arrange for service from an AES and contact PIE&G to begin the enrollment process. Eligible members may receive transmission service directly from the AES.

A member may enroll in the *Electric Member Choice Program* after:

- It has begun making contractual arrangements for distribution service with PIE&G;
- Its AES has initiated a Transmission Service Enabling Agreement with the Transmission Provider; and
- Its AES has received a license as an AES from the Michigan Public Service Commission.

Here's What You Need To Do

ENTER AN AGREEMENT FOR RETAIL OPEN ACCESS SERVICE

The Retail Open Access Agreement between PIE&G and the member will establish the following:

- Presque Isle Electric & Gas Cooperative's Schedule LPOA – Large Power Open Access Service which contains the charges the member will pay for standard services provided pursuant to the *Electric Member Choice Program*.
- The member's obligations in order to receive open access service.
- The relationship between the retail member and PIE&G.
- Member loss responsibility.
- Member data link requirements.

- AES qualifications.
- Terms and conditions of optional or negotiated services PIE&G is to provide.

In general, the issues at a distribution level are under the jurisdiction of the Michigan Public Service Commission (MPSC). Exhibit 1 is a sample Retail Open Access Agreement and Exhibit 2 contains instructions for completing the agreement. (The actual agreement may differ due to changes in regulations and the nature of services to be provided.)

ESTABLISHING METERING COMMUNICATIONS

Working with the communication provider, the member will need to have a dedicated data link installed at each meter location as required. The data link may not be used for any other purpose such as voice, fax or computer communication. Any monthly fees and the costs of surge/isolation equipment are the responsibility of the member. The member should contact its account representative at PIE&G with the appropriate details regarding the data link and its date of activation. (Please see the Metering Section of this handbook for details about PIE&G charges for metering services.)

PIE&G will connect the data link to the meter and validate same. (Please see the Metering section of this handbook for details). PIE&G will send the member and the AES a Meter Setup Report confirming the data link information necessary to retrieve information remotely.

SUBMITTING ENROLLMENTS

The member enrollment process is a series of events between PIE&G, the AES and the Member. The member will need to submit one member Enrollment Form for each member account it is enrolling. PIE&G will contact the member to complete the necessary arrangements for the *Electric Member Choice Program.*

A completed member enrollment form can be sent to PIE&G via fax, mail or electronically.

When sending by fax: A blank Enrollment Form and line-by-line instructions are included in this section as Exhibits 3 and 4. When completed, the member should fax the form to the PIE&G at the fax number shown at the end of the Introduction Section of this guidebook.

When sending by mail: When complete, the member should mail the Enrollment Form to PIE&G at the address shown at the end of the Introduction Section of this guidebook

When sending by e-mail: The member may obtain the Enrollment Form from PIE&G's corporate website. This form is available at:

http://www.pieg.com/enrollment.

When completed, send the Enrollment Form to the email address shown at the end of the Introduction Section of this guidebook.

MEMBER STATUS

At the request of the AES, PIE&G will advise the AES on the status of its customers. The terms discussed below are used to describe the status of members in the process of being enrolled.

In Process: As soon as an account is enrolled, it is considered "In Process" until the member and AES contractual requirements are completed and the data link at the member meter location is installed.

Ready: When the member and AES have met all requirements for *Electric Member Choice Program*, the account(s) is considered "ready."

Queued: When a member is ready for service, it will be considered queued until the AES actually begins serving the member.

Active: This indicates the AES under *Electric Member Choice Program* is serving the member.

Switch-out: This designation is used when PIE&G receives an enrollment form from a member indicating that the member intends to switch to another AES. PIE&G will notify the current AES of a potential switch-out.

ADDITIONAL TERMS

The terms discussed below are also relevant to the member enrollment process:

Transmission service type: Enrolled accounts will work with the AES to select a transmission service type, such as network or point-to-point.

Effective date: The service start date for each individual account is the day an AES begins providing electrical energy on behalf of the member and the Transmission Provider delivers it to PIE&G who then delivers it to the member.

Maximum demand: For purposes of establishing eligibility, the maximum non-coincident demand for an account is the highest 15-minute demand created by that account in the past year, regardless of time of day, per metered location.

BEGINNING SERVICE

Before beginning service under the *Electric Member Choice Program*, the eligible member and/or its AES must have:

- Met the Michigan Public Service Commission's licensing requirements in compliance with 2000 PA 141. (See the Regulatory Requirements section of this handbook for details.)
- Entered a Retail Open Access Service Agreement.
- Entered the appropriate agreements for any negotiated services to be received.
- Completed all member-specific requirements, such as installation of data links at meters.
- Negotiated a date for beginning transmission service (effective date).

PIE&G may assist the member in tracking these requirements.

Terminating Enrollment

Members who wish to end their participation in *Electric Member Choice* and return to buying electrical energy from the PIE&G at its full service "bundled" rates will be able to select from any of the Cooperative's MPSC approved rates available to the member. The member is required to supply at least 9-month "notice of return" and will be required to remain on the bundled service for no less than 12 consecutive months. The member should be aware that upon return to bundled service, there might be additional transmission related surcharges depending on the timing of return. On and after January 1, 2002 the obligation to provide service will require mutual agreement between PIE&G and the member.

Presque Isle Electric & Gas Coop will notify the member's current AES to give it an opportunity to finalize any arrangements for terminating service to the member.

Release of Member Information

PIE&G will not release any member-specific data to a third party without signed authorization from the member. An AES should retain a copy of the signed authorization form, and produce it at PIE&G's request. A sample authorization form is provided as Exhibit 5. Alternate release forms are acceptable, but it must include the information included in Exhibit 5. Once an AES has begun serving a member, its active status will constitute a release form for future information requests by the AES.

Data Availability

Members and/or the AESs may receive information in a variety of ways and for different periods. The options are as follows:

HISTORICAL DATA

- The previous 12 months of billing determinant history is available on hard copy (i.e., screen prints). Depending on the existing metering installation, the available data may include monthly totals for energy usage, monthly peak demands, and reactive quantities.
- This hard copy report is available once within a 12-month period at no charge. Multiple or repeat requests may be subject to an administrative fee. Contact PIE&G for details on administrative fees.
- The same information noted above can also be provided electronically. PIE&G will provide this information for an administrative fee.
- For members with existing interval data recording meters, PIE&G may supply detailed 15-minute interval history electronically. On a go-forward basis, the member (or AES) may also pay a subscription service fee to receive this file, by account, each month.
- For AESs, the aggregated supporting interval data that is used to calculate the settlement bill is also available. See the AES Billing and Settlement section of this handbook for details.

CURRENT DATA

- PIE&G will provide an interval data meter set-up report when the member installs a data link to the billing meter. This data can be used with commercially available software applications that allow interrogation of the meters on a periodic basis and get current meter read updates.
- This same concept of getting frequent meter uploads is also available as a service from PIE&G. Known as the "AES Energy Following Service," or "EFS," it is available entirely from our secured website. An AES can select meters and view the member's usage from its Web browser as it is updated each day. (For more details, refer to the Metering Section of this handbook.)

REAL TIME DATA

- If real time data is required, PIE&G will install a two- or three-wire "K-Y-Z" pulse output direct from the meter installation on the member's site. These real-time pulse feeds may be used to meet their system requirements. Please contact PIE&G to discuss material and installation costs and monthly fees.

- Upon request, PIE&G may be contracted to install a duplicate, billing-quality, utility grade meter for its own use. Contact PIE&G's account representative to discuss material and installation costs and monthly fees. (NOTE: PIE&G's original meter will continue to be the meter used for billing purposes.)

Member Billing

Unless the parties agree otherwise, the AES and Distribution Provider serving an *Electric Member Choice Program* member are individually responsible for rendering bills and collecting payments for the services that it provides. PIE&G will furnish the following information and billing determinants to AESs for billing their own supply charges. Initially, this information will be faxed or mailed, but other arrangements are possible. The format is subject to change and is presented as an example of the type of information that will be provided.

- Member Name/Service Address
- AES's Member Account Number
- PIE&G's Member Account Number
- Member's Beginning Read/Date
- Member's Ending Read/Date
- Member's Total kWh
- Member's kW Read
- Meter Number

Details about accessing interval data meter information at 15-minute intervals are included in the Metering section of this handbook.

CREDIT AND COLLECTION

If PIE&G initiates credit action to collect delivery charges, PIE&G will notify the AES when the following scenarios occur:

PIE&G sends an Intent Notice to the member. An Intent Notice informs a member that PIE&G will turn off the meter if payment is not received before the expiration date of the notice.

If shut off occurs, PIE&G will provide an electronic or fax notification to inform the AES.

Service to the meter is restored. PIE&G will notify the AES electronically or by fax.

Combined Payments

Combined payments will be accepted at the sole discretion and prior agreement of the party receiving the payment. Without such agreement, if the member sends a payment to PIE&G, which is greater than the balance due to PIE&G, then the following shall apply:

- Member's payment is applied to PIE&G's charges and the remainder is reflected as a credit on the account.
- When the member contacts PIE&G about the overpayment, a check will be sent to the member, if requested.
- The member is reminded to send payment separately to each party.

PIE&G Billing for Alternative Electric Supplier Electrical Energy

PIE&G does not currently have a standing offer to provide billing services for AESs. However, PIE&G may negotiate and agree to provide additional billing services for an AES.

Electric Member Choice Program

Metering

Electric Member Choice Program requires changes in PIE&G's metering practices and the transfer of electric demand and consumption information to members or AESs. Members with established maximum demand of 1000 kW or greater that elect service under PIE&G's Large Power Open Access (LPOA) tariff require interval data recording meters. The cost of interval data recording metering is included in the monthly member service charge as is listed in the LPOA tariff.

The terms of the LPOA tariff require each member to install a data link to the meter enabling remote meter readings. AESs or members acting as their own AES, may access the read-only portion of the interval data-recording meter via the data link to gather load information for energy scheduling. The member must pay the cost of the data link installation and the monthly communication service fees.

Here's What You Need To Do

INSTALLING A DATA LINK TO THE METER

AESs and/or members can arrange for the installation of a data link which may include a plain old telephone service (POTS) line from their local carrier. (POTS is a term used by local carriers to describe a data link without call waiting, caller ID and other extra services.) Installation costs and monthly fees vary by carrier. When ordering the data link, make sure to specify that the termination point must be within two feet of the meter location.

The member should contact PIE&G once the data link is installed and service has begun. The account representative will ask the member for the meter access number and process the *Electric Member Choice Program* request.

Telecommunication equipment located within substations requires electrical isolation. This specialized equipment is supplied and installed by the local carrier. Members are responsible for the cost of isolation equipment if required.

INTERVAL DATA RECORDING (IDR) METER INSTALLATION

PIE&G will install IDR meters and connect them to a data link the member provides within seven business days after being notified the data link to the meter has been installed and service is activated.

METER DATA ACCESS AND PASSWORD

Once the meter data link is installed and the member and AES are ready to begin *Electric Member Choice Program*, PIE&G will provide the meter device ID, meter and pulse multipliers, meter constants and channel descriptions required for data access. Members must supply written authorization for PIE&G to give AESs access to retrieve meter data (See Member Enrollment section). The member is responsible for the security of this data link.

Members or AESs may purchase meter data access software from third party providers. The software allows access via data link to the "read only" portion of the interval data-recording meter. Two vendors of meter data access software are:

EnerLink Software,
333 Piedmont Ave., N.E.,
Atlanta, GA 30308
404-506-4664
www.enerlink.com

UTS (Utility Translation Systems),
5909 Falls of Neuse Rd.,
Raleigh, NC 27609
919-876-2600
www.uts.itron.com

Negotiated Metering Services

METER INTERVAL DATA RETRIEVAL SERVICES

PIE&G can provide meter interval data retrieval services for AESs and members who have interval data recording metering and a data link installed at the meter location. The AES energy following service (EFS) will provide AESs on a daily basis the interval data for the previous 24 hours, for each member enrolled. EFS will also total electric use by hour, provide peak demand, on- and off-peak consumption and reports for network and point-to-point members. AESs who purchase EFS will receive secured access to a website designated by PIE&G to view and download data.

EFS is an experimental service designed to aid AESs and members with data retrieval for interval recording meters. The initial term and cost of this service will be effective January 1, 2001 through December 31, 2001.

Prices for EFS are available from PIE&G.

To subscribe to the EFS, contact PIE&G.

METER ERRORS

All parties providing and receiving electric service under the *Electric Member Choice Program* need to notify the other parties as soon as they become aware of a metering error. Prompt reporting of meter malfunctions will notably reduce the need to estimate energy and demand usage. PIE&G will respond to all reported meter malfunctions. When no malfunction is found, the party reporting the malfunction will be charged for the field visit. (See Meter Service Charges below.)

All metering malfunctions should be reported to PIE&G.

The PIE&G will notify all parties involved of any changes in metering due to malfunction or meter exchange and will perform any necessary electric use adjustments. PIE&G will follow established billing practices for all meters found to malfunction, per MPSC regulations.

METER SERVICE CHARGES

Before the member takes service under the *Electric Member Choice Program*:

- No charge for on site visit to make required electric metering changes if the dedicated data link is installed within 2 feet of the electric meter it serves and is active.
- $45 service call charge if the dedicated data link is not active or within 2 feet of the electric meter it serves when PIE&G makes a member- or supplier-requested site visit.
- $45 minimum for time and materials if the dedicated data link is active, but not within 2 feet of the electric meter and PIE&G attempts to connect the data link to the meter during our member- or supplier-requested site visit.

After the member takes service on *Electric Member Choice Program*:

- No charge for PIE&G's service visit if the meter cannot be interrogated and the problem is on PIE&G's system.

- $45 service charge if the meter cannot be interrogated and the problem is not on PIE&G's system.
- $45 for each manual meter read that is taken until repairs are made when the problem is not on PIE&G's system.

METER MAINTENANCE AND TESTING

PIE&G provides meter maintenance and testing for all energy-recording meters. Testing procedures are performed following MPSC criteria and standards.

Electric Member Choice

Appendix A – Exhibits 1 through 5

ELECTRIC MEMBER CHOICE
Sample Retail Open Access Agreement

This agreement is between (Name) Cooperative (Cooperative) and ________________ (Retail Member).

WHEREAS, the Cooperative has established an *Electric Member Choice Program* as described in its Large Power Open Access (LPOA) Service Tariff and Implementation Plan, both of which have been filed with the Michigan Public Service Commission (MPSC).

WHEREAS, Retail Member is eligible to participate in the *Electric Member Choice Program.*

WHEREAS, Retail Member may purchase certain services from Cooperative in connection with the *Electric Member Choice Program.*

NOW THEREFORE, in consideration of the mutual promises contained herein, the Cooperative and Retail Member agree as follows:

1. **Distribution Service**: The Cooperative agrees to provide distribution service to Retail Member who has been enrolled in the *Electric Member Choice Program.* Such distribution service will be provided pursuant to the rates, terms and conditions set forth in the Cooperative's Schedule LPOA.

2. **Rates, Terms and Conditions**: Retail Member agrees to pay the Transition Surcharge contained in Schedule LPOA and to comply with all rates, terms and conditions of the *Electric Member Choice Program.*

3. **Optional Services**: Retail Member agrees to pay the Cooperative the following charges as set forth in Exhibit 1, if the service is selected.

   3.1 Negotiated service charges.

4. Service Conditions: Retail Member shall enroll in the *Electric Member Choice Program* using the procedures established by the Cooperatives. Retail Members must satisfy the following conditions prior to the commencement of service.

   4.1 Retail Member has contracted with an Alternative Electric Supplier (AES) who meets the following requirements:

      4.1.1 The AES must be licensed by the Michigan Public Service Commission.

   4.2 Retail Member has an established maximum demand of 1,000 kW per LPOA tariff.

   4.3 Retail Member or its AES has entered into all necessary contractual and other arrangements for the provision of transmission service.

4.4 A data link has been installed to each participating meter of Retail Member in accordance with the Cooperative's requirements, and all access numbers have been provided to the Cooperative.

5. **Representations and Warranties**: Retail Member represents and warrants as follows:

5.1 All information provided by Retail Member in the member enrollment procedure is to the best of Retail Member's knowledge and belief, complete and accurate.

5.2 Retail Member will have sufficient electric capacity and energy supply resources available to it, either by contract or through ownership of generation, to provide its energy requirements and to meet all reliability criteria imposed on electric utilities in Michigan by regional and/or national reliability councils, regional independent System Operators (ISO) or Regional Transmission Organizations (RTO's) and the Federal Energy Regulatory Commission (FERC).

6. **Default**: If an Event of Default occurs with respect to a defaulting party at any time during the term of this Agreement, the non-defaulting party may (a) terminate the Agreement, provided that any amounts owed at the time of such termination shall be paid, (b) exercise any remedy available at law or equity to enforce payment of any amounts owing together with interest and attorney fees and costs, or (c) both. An "Event of Default" shall mean, with respect to a party to this Agreement, any one or more of the following:

6.1 The failure to make any payment required hereunder when due:

6.2 Any representation or warranty made by a party is determined to have been false or misleading in any material respect when made;

6.3 Failure to comply with any of the terms of this Agreement if such failure is not remedied within five days of written notice of such non-compliance being given;

6.4 A party is or becomes subject to a bankruptcy proceeding.

7. **Third-Party Beneficiary**: This Agreement does not intend any party to be a third-party beneficiary.

8. **Tariff Term Changes**: The Cooperative reserves the right to take all necessary and appropriate actions to modify any of the terms in the LPOA Tariff and/or the *Retail Member choice* Implementation Plan. ***{Reserved for a potential provision concerning future MPSC actions.]***

9. **Sales Tax Responsibility**: Retail Member shall be responsible for applicable sales tax and agrees to hold the Cooperative harmless from any Retail Member sales tax responsibility.

10. **Assignments and Transfers**: Retail Member may not assign, transfer or otherwise dispose of this Agreement in any of its rights, duties or obligations hereunder to another party.

11. **Governance and Jurisdiction**: This agreement is subject to and governed by the laws of the State of Michigan. The Cooperative and Retail Member consent to the jurisdiction of the appropriate Michigan courts or regulatory authorities over this Agreement.

12. **Entire Understanding/Successors and Assigns**: This Agreement and the LPOA Tariff and Implementation Plan constitute the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understanding between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

13. **Waiver**: Any waiver will be effective only for the particular event for which it is issued and will not be deemed a Waiver with respect to any subsequent performance, default or matter.

14. **Notices or Requests**: Any notice or request made regarding this Agreement shall be made to the representative of the Cooperative or Retail Member as indicated below:

(Name) Cooperative: ____________	Retail Member: ____________
____________	____________
____________	____________
____________	____________
____________	____________

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized officials.

____________ (Name) Cooperative:	____________ Retail Member:
____________ (Signature)	____________ (Signature)
____________ (Typewritten or Printed Name)	____________ (Typewritten or Printed Name)
____________ Title	____________ Title
____________ Date	____________ Date
____________	____________

Optional Services

1. **Negotiated Service**:

1.1 Retail Energy Following Service

The Cooperative can provide Energy Following Service (EFS) for *Electric Choice Members*. EFS will provide Retail Members with hourly interval data (kWh and kVAR) for the previous 24 hours for each member enrolled on a daily basis. EFS will also total usage by hour, provide peak demand and on/off peak consumption. Retail Members purchasing EFS will be provided with secured access to the Cooperative's website to view and download data.

EFS is an experimental program designed to aid Retail Members with data retrieval for interval recording meters and will be effective from ________ through ___________.

To request EFS, the Retail Member should check the box below:

_____ (Name) Cooperative is requested to provide Energy Following Service.

If the box above is checked, the Retail Member agrees to pay the Cooperative Energy as follows:

Basic Account Setup Fee: $ ***/Meter

The Retail Member will select and sign up its members using EFS on the Cooperative's website, after receiving authorization.

Daily Data Collection, Validation and Web Posting Service:

$ ***/month/Meter

*** Prices to be determined at time of contract offering.

ELECTRIC MEMBER CHOICE

Retail Open Access Agreement
Line-by-Line Instructions

The name of the retail customer is required. The retail customer is an entity with electrical load equal to or greater than 1,000 kW connected to (Name) Cooperative's distribution system that purchases electricity from a retailer for delivery to its location(s) pursuant to the Cooperative's Large Power Open Access Service Tariff. The party identified must be the same party on all three applicable contract documents.

Section 1. Distribution service:

Establishes terms under which distribution service will be provided to the retail customer.

Section 2. Rates, terms and conditions:

Establishes that the retail customer must pay a transition surcharge and comply with the Cooperative's *Electric Customer Choice* program.

Section 3. Optional services:

This section discusses negotiated services that the retail customer may purchase from the Cooperative. Also refer to Exhibit 1 of the Distribution Agreement - Retail Customer for the selection of these service(s).

Section 4. Service conditions:

Defines retail customer obligations and AES obligations to begin service.

Section 5. Representations and warranties:

Retail customer agrees that:

5.1 All information provided by the retail customer is complete and accurate.

5.2 The capacity and supply resources either under contract or through generating ownership meet its energy requirements. (The retail customer must meet reliability criteria in the same manner as electric utilities.)

Section 6. Default:

Explains the options in an event of default and further defines the "event of default" in Sections 6.1 through 6.5. This section also discusses the collective nature of the three applicable agreements: if one of the agreements is terminated, the remaining agreements are also terminated.

Section 7. Third-party beneficiary:

There are no third-party aspects to this agreement.

Section 8. Tariff term changes/MPSC authority:

The terms in the ROA Tariffs and/or the Implementation Plan may be changed by the Cooperatives without discussion with or agreement from the retail customer. The Cooperatives also reserve the authority to terminate the service if the MPSC is unable to order that the *Electric Customer Choice* program continue.

Section 9. Sales Tax Responsibility:

The retail customer is responsible for sales tax.

Section 10. Assignments and transfers:

Assignments and transfers within the *Electric Customer Choice* program are not allowed.

Section 11. Governance and jurisdiction:

This agreement will be governed within the legal framework of the state of Michigan.

Section 12. Entire understanding/successors and assigns:

The LPOA Tariff and MPSC approved Implementation Plan are the basis of understanding for the Distribution Agreement - Retail Customer.

Section 13. Waiver: Self-explanatory section.

Section 14. Notices or requests:

The contract names and addresses for notices or requests for each of the three applicable agreements are outlined in the *Electric Customer Choice* transmission service agreement and are the same for the three applicable agreement documents.

Section 15. Start date and termination date:

The *Electric Customer Choice* transmission service agreement also is the document which states start and termination dates for all three applicable agreement documents. The dates may be found in Appendix A and/or Appendix B and/or Appendix C. Termination may also be on a mutually agreed-upon date reached by the parties.

Signature block:

This section states the agreement reached between the parties and provides for completion of the document by the respective parties. **Retail customer's authorized representative must execute the Distribution Agreement - Retail Customer prior to return of the document to the Cooperative.** A fully executed original will be returned to the retail customer after all contract requirements are fulfilled.

OPTIONAL SERVICES

This document outlines optional services, including any negotiated services.

ELECTRIC MEMBER CHOICE

Customer Enrollment Form

Date

Customer Information: Please use information as it appears on customer's bill from the Cooperative				
Customer Name				Cooperative's Account Number
Service Address (Building Number, Street Address, Unit or Apartment Number				
City		State		Zip Code
Phone Number	Fax Number	Email Address		

Action Requested			
Select One:	New Enrollment: ☐	Terminating Enrollment: ☐	Changing AES: ☐

Alternative Electric Supplier Information		
Enter New AES Information Here:	Alternative Electric Supplier (AES) Name	AES Phone No.
If Changing AES Enter Current AES Information Here:	Alternative Electric Supplier (AES) Name	AES Phone No.

Transmission Service Type		
Network	**Point-to-Point**	
Time of Use ☐	Firm ☐	Non-Firm ☐

Customer Statement

Being duly authorized to execute this Enrollment Form, I attest that Customer has entered a contract with the new Alternative Electric Supplier to supply its electric energy at the above location. The Cooperative is authorized to provide the new Alternative Electric Supplier information relating to Customer's current and historical power and

____
Authorized Customer Representative Signature

Notes: Distribution Cooperative

____
____
____
____
____

Notes: Transmission Provider

____
____
____
____
____

ELECTRIC MEMBER CHOICE

Customer Enrollment Line by Line Instructions

LINE 1

Indicate the date submitted to the Cooperative.

LINES 2 THROUGH 5

Provide account-specific information for the customer as it appears on their current bill from the Distribution Cooperative. Customer telephone numbers and e-mail addresses are optional. If this customer is not currently receiving service from a Distribution Cooperative, then the customer must arrange for distribution service following the Cooperative's standard rules and regulations before completing this Form.

LINE 6

Indicate if this is for a new enrollment, termination of enrollment, or a change of Alternative Electric Supplier for this customer.

LINE 7 AND 8

Provide the name of the new AES and, if applicable, provide the name of the existing AES in the space provided.

LINE 9

If known, indicate the type of transmission service being requested.

LINE 10

Sign on this line after you have completed the rest of the Customer Enrollment Form.

ELECTRIC MEMBER CHOICE

RELEASE OF CUSTOMER INFORMATION

Date: ________________

Please consider this my authorization to provide __________________________ access to any consumption, billing, tariff or metering data they may solicit from you for the following accounts over the next ____ months (not to exceed 12 months).

Customer Name ______________________________

Mailing Address ______________________________

City, State, Zip ______________________________

Telephone Number ______________________________

Service Address ______________________________

Customer Signature ______________________________

Please print or type name ______________________________

Please provide 12-month electric use history for the following accounts:

Account Number(s)	Service Address(es)

Appendix B – Glossary

Electric Member Choice

Appendix B – Glossary

This glossary defines various terms that may be useful to persons interested in the *Electric Member Choice Program*. This glossary may be updated from time to time for clarity or completeness and to reflect changes in the electric industry.

Aggregation

The process of pooling customers' electric loads together to create a larger block of power.

Aggregator

An entity that pools customers' electric loads into a larger block for negotiating electric service for groups with large blocks of power. An Alternative Electric Supplier, marketer or broker may act as an aggregator.

Alternative Electric Supplier

The entity authorized to make retail sales of electricity to customers connected to a utility's transmission and distribution system.

Ancillary Services

Services that are necessary to maintain reliable operation of the transmission system during the delivery of power from the supplier to the utility's distribution system. The transmission provider or another party can provide ancillary services.

Bill Ready

A consolidated billing practice where the billing party receives the calculated charge amount(s) directly from the non-billing party in lieu of the billing party calculating it directly from the rate.

Billing Cycle

The period of days for which a utility or supplier produces the customer's bill.

Billing Service Agreement

A legally binding agreement between the utility and the Alternative Electric Supplier used when one of the parties is performing consolidated billing for the other party. The agreement details expectations and responsibilities of each party.

Broker

A person or group that arranges for the purchase and sale of electricity, transmission, and other services between buyers and sellers, but does not take title to the power in the transaction.

Bundled Services

The combination of services: electric generation, transmission, delivery and related support functions. This is how customers receive service under the traditional utility structure.

Customer

An entity that takes service for its own consumption over the transmission and/or distribution facilities of a utility. Often referred to as member when a member of an electric cooperative.

Consumer

A retail electric customer.

Consumer-member

A retail customer of electric energy that is a member and owner of an electric cooperative.

Default Service

Energy supply service provided, pursuant to rules established by the applicable regulatory authority, to customers in a competitive energy market who are not being served by a competitive energy supplier for any number of reasons, including the following:

1. The customer's chosen supplier no longer provides service for the customer's account;
2. The customer is unable to locate a supplier to service his/her account; or
3. The customer has not chosen a supplier.

Demand

For electricity: the amount of electricity, typically measured in kilowatts (kW), that customers use instantaneously, or that is averaged over a set period of time.

Deregulation

The process of removing regulations that direct how specific industries operate. Airline, trucking and telephone are examples of industries that have been deregulated.

Direct Access

The result of electric industry restructuring that enables retail customers to buy electricity from the supplier of their choice and have it delivered over a utility transmission and distribution system. Also known as Open Access.

Delivery System

The wires and other equipment that move electricity to the customer.

Distribution Agreement-Retail Customer

Outlines retail customer requirements to begin service, outlines the relationship between the retail customer and distribution provider, provides for the selection of optional services, and covers distribution issues under Michigan Public Service Commission (MPSC) jurisdiction.

Drop

The termination of the relationship between the customer and Alternative Electric Supplier for various reasons: non-payment, term of contract, customer request, supplier service discontinued for customer class, etc.

Dual Billing

An approach under which the utility and supplier render separate bills to the customer, each containing charges by that party for the services provided, for which separate payments from the customer are required.

East Central Area Reliability (ECAR)

The regional organization that oversees the reliability of the electric grid. ECAR includes members who represent the states of Indiana, Kentucky, Michigan, Ohio, Pennsylvania and West Virginia.

ECC – The Energy Control Center

Located in Cadillac, Michigan. Represents Wolverine as the transmission provider and is the first point of contact for the reservation of transmission service.

EDI-814 Standard Format

An electronic data interchange (EDI) is any electronic transmission of data between two computer applications. An EDI-814 standard format is a general request, response or confirmation.

Electric Cooperative

A consumer-owned entity that generates and/or purchases wholesale power, arranges for the transmission of that power, and then distributes the power to serve the demand of retail customers.

Electric Member Choice

An electric cooperative program that enables its electric customers to purchase electricity from Alternative Electric Suppliers.

Electric System

Describes the production and delivery of electricity as one complete system.

Eligibility

Refers to a customer's status as to having met a legal prerequisite that allows them to choose an Alternative Electric Supplier.

Energy Imbalance

When customers use more or less energy than scheduled by the Alternative Electric Supplier. The difference between the total energy scheduled by the Alternative Electric Supplier and the amount of energy delivered to the Alternative Electric Supplier's customers. This is usually tracked hourly and monthly.

Federal Energy Regulatory Commission (FERC)

Originally formed in 1935 as the Federal Power Commission. FERC has jurisdiction over wholesale power transactions and all interstate transmission of electricity.

FERC Open Access Transmission Tariff

A utility's transmission tariff that is on file with the Federal Energy Regulatory Commission, which complies with FERC Orders 888 and 889. This tariff is subject to change.

Franchise

Agreement with a governmental unit that gives a company the legal right to conduct business within a township, village, city, or other local government unit.

Grid

A managed system of interconnected power lines and generators used to meet the energy requirements of customers connected to the distribution or transmission system.

Interval Data

Customer load data collected by a meter or metering system reflecting actual energy usage for each time interval (e.g., hour, half-hour, etc.) during the billing cycle.

Independent System Operator (ISO)

A third party that manages transmission systems owned by utilities.

Load Profile

An allocation of a customer's electricity usage over a period of time. Load profiles can be used by suppliers and system operators to forecast electricity supply requirements and to determine the cost of serving a customer; profiles may represent individual customers or customer class averages.

Local Governing Body

The entity authorized by a municipality, county or state to define and uphold rules and regulations that apply to market participant activities.

Marketer

An entity who sells electricity on behalf of a supplier or generating company.

Meter

A device for measuring and totaling the variable consumption and/or demand of electric energy.

Michigan Public Service Commission (MPSC)

Established in 1939, the MPSC is the regulatory agency for investor-owned and rural cooperative utilities in Michigan. Under the traditional regulatory environment, all retail rates, terms and conditions of service offered by these utilities must be approved by the MPSC.

Multi-Vendor Translation System (MV-90)

System used to collect time-of-use information from electric meters via telephone lines or portable computer devices.

Negotiated Services

Services an Alternative Electric Supplier can arrange to have provided by an electric cooperative or utility, such as billing.

Network Resources

All generation that is owned, purchased or leased by the transmission customer or its retail customer, which is designated to serve load under tariff.

North American Electric Reliability Council (NERC)

Formed in 1968 following the Nov. 9, 1965 blackout that affected the Northeastern United States and Ontario, Canada. NERC promotes reliability of the electricity supply for North America. In short, NERC helps electric utilities and other electricity suppliers work together to keep the lights on.

Open-Access Same-time Information System (OASIS)

An Internet-based system formed in 1996 from FERC Orders 888 and 889 intended to foster wholesale electricity competition.

Open Access Transmission Tariff (OATT)

A document that sets rates and rules for using transmission services.

Peak Demand

The highest rate of electric energy consumption for a customer.

Point of Delivery

The point where a customer receives delivery of energy.

Point of Receipt

The point where a utility receives energy for delivery through its system to a customer or to another utility's system.

Point-to-Point Transmission Service

The reservation and delivery of capacity and energy on a firm or non-firm basis from the point of receipt to the point of delivery.

Positive Billing System (PBS)

This program protects Family Independence Agency clients from energy service shutoff during the heating season.

Power

A combination of electric demand and energy usually expressed in kilowatts (kW).

Power Supply Cost Recovery (PSCR)

Allows a utility to recover the cost of power it must purchase to meet customer demand. In a deregulated market, the utility would assume the risk of increased fuel and purchased power costs, thus eliminating the PSCR.

Rate Class

A group of customers served under a single regulated tariff.

Rate Ready

Refers to the practice in which the non-billing party provides rate information to the billing party sufficient to calculate the non-billing party's charge(s).

Real Power Losses

Energy consumed in moving power through a utility's system between the point of receipt and the point of delivery.

Reconciliation

The process by which initial load allocations are "trued-up" to known metered loads. Preliminary reconciliation can be performed using bulk area loads; final reconciliation can be performed using actual customer meter readings for the current month being settled.

Residential

Generally refers to service provided to homes.

Restructuring

The process of changing the current regulatory environment to accommodate member choice.

Retail Access

Program(s) initiated through a combination of legislation and/or regulatory commission actions that create the opportunity for retail Customers to competitively obtain energy supplies and other services that were formerly only available through the regulated utility.

Retail Customer

The end-use customer - connected to an electric cooperative's distribution system – that purchases electricity from an Alternative Electric Supplier.

Scheduling

The process of coordinating the movement of power through, into, within or out of a control area.

Settlement

The hourly accounting process by which costs of energy supplied into the grid by generation operators are reconciled with payments for energy delivered to customers by their suppliers.

Standby Service

An optional service that can replace scheduled power at the point of receipt if the supplier fails to deliver power or if there is a transmission system constraint.

Time-of-Use (TOU) Meter

Measures how much electricity (kilowatt hours and kilovar hours) a customer uses and records it in the meter's memory every 15 minutes. Also known as an interval data-recording meter.

Top Incremental Cost (TIC)

The average cost of the last 2 megawatts loaded on the transmission provider system every hour.

Transmission

Interconnecting high voltage electric lines that move electricity from a generation facility to the distribution lines of an electric distribution company.

Transmission Customer

The purchaser of transmission and ancillary services.

Transmission Service Agreement

Defines the responsibilities of transmission customers and their relationship with a transmission provider. Discusses transmission levels and provides specifications for transmission service type selections.

Transmission Service Enabling Agreement

Used to pre-qualify the transmission customer; obtain transmission customer contact information; discuss ancillary services, customer eligibility, and reciprocity requirements; and establish credit-worthiness.

Unbundled Services

Specifies utility services line by line, such as separate supply and delivery charges, instead of being combined into one "bundled" service and fee.

Utility

A regulated electric entity that constructs and maintains the transmission and/or distribution facilities that deliver energy to the customer.

Utility Account Number

The identifier used by the utility to uniquely identify a customer account.

Utility Tariff

A document approved by the applicable regulatory authority listing the terms and conditions, including a schedule of prices and fees, under which utility services are provided.

Electric Member Choice

Appendix C – Schedule LPOA

SCHEDULE LPOA

LARGE POWER OPEN ACCESS SERVICE

Availability

Subject to the Rules and Regulations of the Cooperative and its *Electric Member Choice Program Guidebook*, this schedule is available for multi-phase service to Members of the Cooperative for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery. Service under this rate is subject to the following conditions:

1. The Member must have a non-aggregated maximum Billing Demand greater than 1,000 kW per meter location at least once per calendar year.
2. The Member must enter a Retail Open Access Service Agreement with the Cooperative.
3. The transmission of power to the Point of Receipt and all related costs shall be the responsibility of the Alternative Electric Supplier (AES).

Type of Service

Service under this rate shall be multi-phase, 60 hertz, at standard primary voltages of the Cooperative.

Service at primary voltage is rendered when the Cooperative delivers power at standard distribution system voltages and the Member provides, installs and maintains all necessary transforming, controlling and protective equipment. All other service is at Secondary Voltage.

Metering Requirements:

The load under this tariff shall be separately metered by demand and energy interval data recording meters. The Cooperative shall furnish, install, maintain and own such metering equipment.

The Member shall be responsible for any associated data link such as a dedicated telephone lin, other related equipment and any related monthly fees.

Monthly Rate

Each Member shall purchase Distribution Delivery Service at the following rates:

Monthly Service Charge......................................$65.00 per Month per Point of Delivery

Demand Charge

For Service at Secondary Voltages .... $5.40 per Billing kW

For Service at Primary Voltages .... $5.20 per Billing kW

If the service location is directly connected to a Distribution Substation, the applicable demand charge shall be .... $2.10 per Billing kW

Transition Surcharge .... $0.010597 per Billing kWh

SCHEDULE LPOA

LARGE POWER OPEN ACCESS SERVICE

Determination of Billing Demand

The Billing Demand shall be the maximum kilowatt (kW) demand established by the Member for any period of fifteen consecutive minutes during the month for which billing is rendered, as indicated or recorded by the demand meter. The Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require.

Determination of Billing Energy

The Billing energy shall be the total kilowatt-hours (kWh) used by the Member during the month for which billing is rendered.

Metering Voltage Adjustment

The Monthly Rates are applicable to Billing Demand and Energy metered at secondary voltages. If metering occurs at primary voltages, then the Billing Demand and Billing Energy shall be decreased 2.00% to compensate for service transformer losses.

Line Loss Responsibility

The Member's AES is responsible for providing losses associated with the distribution of power from the point of receipt into the distribution system to the point of delivery to the Member. The following loss adjustment factors shall be applied to the Member's metered usage to determine the demand and energy that must be received by the Cooperative for delivery to the Member.

Delivery Type	Multiplier
Secondary Service	107.9 %
Primary Service	102.8 %
Primary Substation Service	100.0 %

Minimum Charge

1. The monthly minimum charge shall be $1.00 per kVa for each kVa of connected service transformer capacity, or
2. As may be specified in the Open Access Service Agreement between the Cooperative and the Member.

Terms of Payment

1. Monthly bills for Distribution Delivery Service rendered by the Cooperative are due and payable on or before the due date listed on the bill.

SCHEDULE LPOA

LARGE POWER OPEN ACCESS SERVICE

2. The above rates are net. A one-time late payment charge of five percent of the unpaid balance, excluding sales tax, will be assessed on any bill for Distribution Delivery Service not paid by the due date.
3. 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.

Third Party Disputes

The Cooperative will not intervene mediate or participate in contractual disputes between the Member and its Alternative Electric Suppler or other 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.

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 Members 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.