

ORIGINAL

Decision No. 83702

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Plumas-Sierra Rural Electric
Cooperative for authority to
increase its rates for electric
service in California.

Application No. 54161
(Filed July 9, 1973;
amended July 17, 1973 and
March 22, 1974)

Martin McDonough and Bruce McDonough,
for applicant.
Donald W. Hicks, for Surprise Valley Electric
Cooperative, and G. J. Whittlinger, for
Anza Electric Cooperative, Inc., interested
parties.
James T. Quinn, Kenneth K. Chew, and Erwin
Endres, for the Commission staff.

O P I N I O N

Applicant is a nonprofit corporation formed under the laws of California, supplying electric service to its members, and is subject to the jurisdiction of this Commission.^{1/} Its principal place of business is located at Portola, California.

Applicant owns and operates an electric distribution system extending over a service area of about 2,000 square miles in Plumas, Sierra, and Lassen Counties, California, and in small part, Washoe County, Nevada, with a total of 2,338 customers in 1972.

Applicant's rates were originally established in 1938. A reduction in those rates was effected in 1965.

On July 9, 1973 applicant filed its request to increase rates by \$144,634 or 22.89 percent because it had reason to believe that the United States Bureau of Reclamation was preparing to raise the price of Central Valley Project Power it sells to applicant by 53 percent.

^{1/} Decision No. 45111 dated December 12, 1950 in Case No. 4204.

By amendment dated July 17, 1973 applicant stated that:

"By letter dated November 12, 1973, the Bureau of Reclamation has announced rate increases applicable to Plumas-Sierra Rural Electric Cooperative. These increases are effective April 1, 1974, and amount to approximately a 23% increase in wholesale power costs to the Applicant.

* * *

"Unless it is permitted to increase its rates effective April 1, 1974, in an amount sufficient to offset the increased costs of wholesale power purchased by it from the Bureau, the Applicant will face a dire financial emergency. As shown on page 5a of its 'General Report on the Results of Operation (Revised March 1974)', ²/ applicant expects that its present retail rates and all other sources of revenue will fail by \$60,403 in 1974 to equal its operating expenses and other revenue deductions.

"Applicant is no longer able to obtain all of its borrowed money from the Rural Electrification Administration ('REA'), but must now obtain a portion of each borrowing from the National Rural Utilities Cooperative Finance Corporation ('CFC'). By the terms of supplemental mortgages of property to REA and CFC, Applicant has secured loans of money from REA and CFC with all of its real and personal property, and has thereby made foreclosure a remedy available to the mortgagees [sic]. The mortgagees are entitled to assign their interests in the mortgages to other parties, and Applicant believes that CFC has made an assignment of its interest to the Manufacturers Hanover Trust Company. This Commission has granted Applicant authority to enter into these loan transactions by its Decision 80731 on Application 53655, dated November 14, 1972, and by its

Decision 82005 on Application 54342, dated October 16, 1974 [sic].

"It is necessary for Applicant to be able to meet its debt service obligations to avoid foreclosure of any portion of its property or plant dedicated to public service. In addition, Applicant's inability to make payments on principal and interest on outstanding loans now will make it difficult or impossible for Applicant to obtain non-governmental loans in the future, which are necessary to Applicant's continued operation.

"In support of its request for an interim emergency rate increase, effective April 1, 1974, Applicant will at the hearing on this application, in addition to the files in Applications Nos. 53655 and 54342, rely on its 'General Report on the Results of Operation (Revised March 1974)'..."

Applicant requested immediate permission to increase its rates, and each of them, by 6.5 percent, on an interim emergency basis.

Public hearing was held before Examiner Gillanders at Portola on March 28, 1974. Applicant had published, mailed, and posted notice of the hearings in accordance with this Commission's rules of procedure. Applicant's motion for interim relief was submitted on March 28, 1974. Eighteen members of the public attended the hearing, all of whom were in favor of applicant's request.

Testimony on behalf of applicant was presented by its general manager. Testimony on behalf of the Commission staff was presented by a registered professional engineer.

According to applicant's general manager, the increased power costs effective April 1, 1974 would amount to about \$4,000 per month.

The staff engineer recommended an interim increase of \$40,600 spread on a cents per kilowatt-hour basis.

On April 16, 1974 this Commission issued Decision No. 82744 authorizing applicant to increase each bill rendered on or after May 1, 1974 by 6.5 percent. The order also stated that further hearing would be held on its application for a rate increase.

Further hearing was held at Portola on June 18 and 19, 1974 before Examiner Gillanders. The matter was submitted on August 15, 1974 upon receipt of staff late-filed Exhibits 28 and 29.

The purpose of the June hearings was to receive the evidence prepared by the staff. In addition, further testimony was presented by applicant and applicant's owners. At the conclusion of the staff's testimony the examiner on June 30 directed the Utilities Division witness to prepare a results of operation exhibit (Exhibit 29) prepared in accordance with accepted ratemaking policies and based on zero energy conservation. Such an exhibit was mailed to the parties on August 13, 1974. By letter dated August 15, 1974, applicant stated it had no objection to the results shown on the late-filed exhibit. Exhibit 29 is reproduced below:

Plumas-Sierra Rural Electric Cooperative

SUMMARY OF EARNINGS
CALIFORNIA ONLY

Test Year 1974

A. 54261 ep

Item	Test Year at Present Rates					Test Year at Proposed		
	Full Year Effect					Rates of Exhibit #28		
	Staff Estimate: from Table 9-A: Exhibit #27	Zero Conser- vation		Wages	Plant	Adjusted Staff Estimate	Revenue Incr. & Uncollectibles Adj.	Adjusted Staff Estimate
<u>Operating Revenues</u>								
Sales Revenues	\$ 678,107	\$45,867	\$ -	\$ -	\$ 723,974	\$119,434	\$ 843,408	
Rent from Electric Property	6,500	-	-	-	6,500	-	6,500	
Other Electric Revenue	7,400	-	-	-	7,400	-	7,400	
Total Operating Revenues	692,007	45,867	-	-	737,874	119,434	857,308	
<u>Operating Expenses</u>								
Purchased Power	234,087	14,098	-	-	248,185	-	248,185	
Trans., Distr., Cust. Acct., Sales, and A&G Expenses	254,332	-	15,472	-	269,804	119	269,923	
Subtotal Expenses	488,419	14,098	15,472	-	517,989	119	518,108	
Depreciation Expense	122,377	-	-	10,157	132,534	-	132,534	
Taxes Other Than Income	45,427	-	160	9,001	54,588	-	54,588	
Total Operating Expenses	656,223	14,098	15,632	19,158	705,111	119	705,230	
Net Operating Revenues	35,784	31,769	(15,632)	(19,158)	32,763	119,315	152,078	
Rate Base	2,960,746	-	-	579,756	3,540,502	-	3,540,502	
Rate of Return	1.21%				0.93%		4.30%	

(Inverse Item)

Exhibit 29 shows that for the test year 1974 at rates requested by applicant its rate of return would be 4.30 percent which, by coincidence, is the exact rate of return recommended by the rate of return expert who testified on behalf of this Commission's Finance and Accounts Division.

During the proceeding, applicant presented numerous petitions from its owners requesting that this Commission immediately grant the requested increase (only one letter was presented by a member in opposition). Testimony was received from members of applicant's board of directors. The general thought presented by applicant's witnesses was that, in essence, applicant's owners knew what was best for applicant, and the Commission's participation in its affairs was unwarranted. Based on this record, we agree with all of applicant's contentions except the contention that our participation was unwarranted.

Discussion

Applicant is requesting rates to produce a rate of return of 4.56 percent on a year-end rate base. Such rate of return applied to its rate base would produce a return on total equity of 21 percent. Applicant claims this is the minimum return that will enable it to successfully compete for funds in the market in which it must obtain its capital funds. Applicant's amended request amounts to a rate increase of \$159,283 based on test year 1974.

The staff's recommended revenue increase estimate (Table 9-B of Exhibit 27) based on applicant's 1974 test year operations is \$91,579. The revenue increase resulting from the changes required by the examiner and depicted on Exhibit 29 is \$119,434.^{2/}

^{2/} This is based on no revenue reduction due to power conservation. The record reveals that 1973 was the wettest year in history, and it is impossible to determine how much reduction in 1973 usage was due to conservation alone.

Findings

1. Applicant is in need of additional revenues, but the proposed rates set forth in the application are excessive.

2. The estimates of operating revenues, expenses, including taxes and depreciation, the rate base, and the rate of return for the test year 1974 shown on Exhibit 29 are reasonable.

3. A rate of return of 4.30 percent on the adopted rate base and return on common equity of approximately 18.90 percent for the future is reasonable. Rates should be increased by approximately \$119,400.

4. The increases in rates and charges authorized herein are justified, the rates and charges authorized herein are reasonable, and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

Conclusion

The application should be granted on the basis of the results shown on late-filed Exhibit 29 and rates should be spread on the basis of late-filed Exhibit 28 (attached hereto as Appendix A).

O R D E R

IT IS ORDERED that Plumas-Sierra Rural Electric Cooperative is authorized to file the revised schedules attached to this order as Appendix A and concurrently to cancel its present schedules for such service. The filings shall comply with General Order No. 96-A.

The effective date of the new and revised tariff sheets shall be four days after the date of filing. The new and revised schedules shall apply only to service rendered on and after the effective date thereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6th
day of NOVEMBER, 1974.

Thomas L. Steyer
President
William J. Quinn

Robert E. McLeod
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule D-1

FARM AND HOME SERVICE

APPLICABILITY

Applicable to members of the Cooperative located on its lines for general farm and home uses including lighting, incidental appliances, refrigeration, cooking, heating, and power for motors not in excess of 10 hp, subject to the established rules and regulations of the Cooperative.

TERRITORY

Within the entire territory of the Cooperative outside of areas designated Rate Area No. 2.

RATES

	Per Meter Per Month
First 100 kwhr or less	\$5.60
Next 100 kwhr, per kwhr	3.4¢
All excess kwhr, per kwhr	1.46¢

Minimum Charges:

1. Minimum monthly charge under the above rate shall be \$5.60. The member shall be entitled in all cases to use the number of kilowatt hours corresponding to the minimum bill.
2. The minimum monthly charge for churches, schools, community halls, lodges, etc., shall be \$2.25 per month for which 40 kwhr shall be allowed.
3. Under (1) energy will be supplied in accordance with the rate schedule set out above. Under (2) energy will be supplied under the rate schedule set out above, except that the first 100 kwh used per month shall be billed at the rate of 5.6¢ per kwh.

SPECIAL CONDITION

This service is available only on an annual basis for permanent and continuous connection. It is not available for seasonal or intermittent basis.

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Schedule D-2

VILLAGE SERVICE

APPLICABILITY

Applicable to members of the Cooperative located in rural villages for all residential uses subject to its established rules and regulations. Service under this schedule is limited to individual motors up to and including ten horsepower (10 hp).

TERRITORY

Within areas designated Rate Area No. 2.

RATES

	Per Meter Per Month
First 50 kwhr or less	\$2.75
Next 150 kwhr, per kwhr	3.94¢
All excess kwhr, per kwhr	1.46¢

Minimum Charge:

The minimum charge under the above rate shall be \$2.75. The member shall be entitled in all cases to use the number of kilowatt hours corresponding to the minimum bill.

SPECIAL CONDITION

This service is available only on an annual basis for permanent and continuous connection. It is not available on a seasonal or intermittent basis.

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Schedule D-3

FARM AND HOME SERVICE

ALL ELECTRIC

APPLICABILITY

Applicable to members of the Cooperative located on its lines for general farm and home uses including lighting, incidental appliances, refrigeration, cooking, motors not in excess of 10 hp, electric water heaters, electric space heating, and air-conditioning.

TERRITORY

Within the entire territory served by the Cooperative.

RATES

	Per Meter Per Month
First 250 kwhr, per kwhr	\$8.60
Next 250 kwhr, per kwhr	1.55¢
All excess kwhr, per kwhr	1.17¢

Minimum Charge:

The monthly minimum charge shall be \$8.60 per month.

SPECIAL CONDITIONS

1. To qualify for service under this schedule, a home, either farm or residential, must be of permanent construction, have year-round occupancy (not seasonal) and utilize the Cooperative's electric service as the primary source of energy for all regular lighting, refrigeration, cooking, air-conditioning, and water heating requirements of the household, and a minimum of 10 kw of permanently installed, thermostatically controlled electric heating equipment.

2. The Cooperative may refuse to bill a consumer under this schedule unless it may reasonably expect that its service will be utilized for the above requirements for at least five years from the time its new service facilities are installed.

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Schedule DS

SEASONAL RESIDENTIAL SERVICE

APPLICABILITY

Applicable to members of the Cooperative for all residential uses on an intermittent or seasonal basis subject to established rules and regulations.

TERRITORY

Within entire territory served by the Cooperative.

RATES

	<u>Per Meter</u> <u>Per Year</u>
First 900 kwhr or less, payable in advance ..	\$60.00
Next 1,500 kwhr, per kwhr	3.4¢
All excess kwhr, per kwhr	1.46¢

SPECIAL CONDITIONS

1. Service under this schedule must be connected a full twelve months of the year. If service is discontinued, it will not be reconnected until the cost of reconnecting has been paid as provided in Rule No. 11, Section J.

2. Seasonal service to cabins for transients and nonresidential seasonal service to resorts shall be rendered under Schedule A-1.

3. The annual advance payment of \$60.00 will be due and payable on April 1st of each year, or on the consumer's option in two payments of \$30.00 each on April 1st and July 1st. If payment is not received by April 25th service will be discontinued. If service is discontinued for above nonpayment, a reconnect charge must be paid, as provided in Rule 11, Section I, before service will be reestablished. Meters will be read on the 1st day of October of each year and a bill will be rendered for all energy used over and above 900 kwh included in the annual minimum. This latter bill is due and payable on presentation.

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Schedule A-1

COMMERCIAL AND SMALL POWER SERVICE

APPLICABILITY

Applicable to commercial and small industrial members and farm members requiring three-phase service for all uses including lighting, appliances, cooking, heating, and motors, all subject to the established rules and regulations of the Cooperative covering this service.

TERRITORY

Within entire territory served by the Cooperative.

RATES

	Per Meter Per Month
First 100 kwhr or less	\$5.75
Next 100 kwhr, per kwhr	4.1¢
Next 300 kwhr, per kwhr	3.5¢
Next 500 kwhr, per kwhr	2.9¢
Next 1,000 kwhr, per kwhr	2.3¢
All excess kwhr, per kwhr	1.4¢

Minimum Charges:

The minimum monthly charge under the above rate shall be \$5.75 per month for single-phase and \$14.50 per month for 3-phase consumers. For consumers requiring more than 3 kva of transformer capacity, the minimum monthly charge shall be increased at the rate of 75¢ for each additional kva or fraction thereof. Where the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate.

SPECIAL CONDITIONS

1. Service under this schedule is limited to members whose load requirements do not exceed 50 kva of transformer capacity.
2. Members having their homes on the same premises with their business establishments may include service to both on the same meter, in which case all service will be billed under this schedule, using the rate set out below. If the member prefers, he may make provision for two meters, in which case his usage for residential purposes will be billed under the appropriate residential schedule, and his usage for business purposes will be billed under this schedule and rate.

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Schedule A-2

LARGE POWER SERVICE

APPLICABILITY

Applicable to consumers served by the Cooperative located on or adjacent to its three-phase lines.

TERRITORY

Within entire territory served by the Cooperative.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Demand Charge:	
Per kw billing demand	\$1.15
Energy Charge (to be added to demand charge):	
First 100 kwhr, per kw demand, per kwhr .	2.4¢
Next 50 kwhr, per kw demand, per kwhr .	1.7¢
Next 50 kwhr, per kw demand, per kwhr .	1.15¢
All energy in excess of 200 kwhr, per kw demand, per kwhr93¢

Minimum Monthly Charge:

The minimum monthly charge under the above rate shall be \$.75 per kva of required transformer capacity or fraction thereof per month, but in no case shall the minimum charge be less than \$25.00 per month.

Minimum Annual Charge:

The consumer shall guarantee a minimum annual revenue of not less than 18% of the estimated total investment required to extend service, which shall include the cost of meters, transformers, and any additions to or alterations of lines and equipment necessary to make service available. Minimum charges for service shall be based on the investment only when this results in greater charges than those based on the kva of installed transformer capacity. In all other cases the minimum charges shall be based on kva of transformer capacity as hereinbefore provided.

(Continued)

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Schedule A-2

LARGE POWER SERVICE
(Continued)

Minimum Annual Charge for Seasonal Service:

Consumers requiring service not to exceed nine months per year may guarantee a minimum annual payment of twelve times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

SPECIAL CONDITIONS

1. The type of service will be only three-phase, 60 cycles at standard secondary voltage.
2. The billing demand shall be the maximum average kilowatt load used by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter.
3. The consumer agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.
4. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
5. The consumer may connect lighting to power circuits from the power meter. Any additional transformers or regulating equipment which may be required for such lighting shall be furnished by the consumer.
6. All wiring, pole lines, and other electrical equipment beyond the metering point, exclusive of the service transformers and protective equipment, is considered the distribution system of the consumer and shall be furnished and maintained by the consumer.
7. If service is furnished at primary distribution voltage, a discount of ten percent (10%) shall apply to both the bill and to the above minimum charges.
8. The consumer shall give satisfactory assurance supported by a written agreement as to the character, amount, and duration of the business offered.

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Schedule 1S

STREET LIGHTING SERVICE

APPLICABILITY

Applicable to street and highway lighting service supplied from overhead lines of the Cooperative.

TERRITORY

Within entire territory served by the Cooperative.

RATE

	<u>Per Lamp</u> <u>Per Month</u>
7,000 Lumen Mercury Vapor Lamp	\$2.85 per month
20,000 Lumen Mercury Vapor Lamp	4.00 per month

SPECIAL CONDITIONS

1. When the lighting fixtures are owned by the lighting district or municipality, then the above rates will be discounted ten percent.
2. When other than standard lighting equipment is requested, the Cooperative will install such equipment only when the consumer agrees to reimburse the Cooperative for all costs in excess of cost of standard equipment.
3. Lighting service will be provided approximately 4,000 hours per year.

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Schedule P-A

POWER AGRICULTURAL SERVICE

APPLICABILITY

Applicable to members of the Cooperative located on or adjacent to three-phase lines of the Cooperative for irrigation service only.

TERRITORY

Within the entire territory served by the Cooperative.

RATES

	Per Meter Per Season
Fixed Charge:	
Per horsepower or fraction thereof	\$7.77
Energy Charge (to be added to the fixed charge):	
First 150 kwhr per hp, per kwhr	3.2¢
Next 150 kwhr per hp, per kwhr	1.9¢
All excess kwhr, per kwhr87¢

Minimum Annual Charge:

The minimum annual charge shall be the Fixed Charge, but in no event shall it be less than \$40.00. Payment of the Fixed Charge shall not include payment for any energy used.

SPECIAL CONDITIONS

1. Determination of the Fixed Charge. For the purpose of arriving at the Fixed Charge, the load shall be determined by electrical measurement each season, and shall be the connected horsepower of the pump motor.

2. Irrigation Season. The irrigation season shall be the period from April 1 to September 30 of each year. In case service is desired before April 1 or after September 30, the Fixed Charge shall be increased at the rate of fifty cents (\$0.50) per month per horsepower.

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DELETE

Schedule D-C

SEASONAL RESIDENTIAL SERVICE
CALPINE

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Schedule D-E

RESIDENTIAL SERVICE - EMPLOYEES

APPLICABILITY

Applicable to farm and residence electric service for regular employees and pensioners of the Cooperative for lighting, heating, cooking, water heating, and power for motors not exceeding 10 hp, or combination thereof, in a single-family accommodation.

TERRITORY

Within entire territory served by the Cooperative.

RATE

A discount of fifty per cent (50%) from the filed rate schedule applicable to the farm and residential service.

SPECIAL CONDITIONS

1. A "regular employee" is one so classified by the management of the Cooperative. To be eligible for this classification, an employee must have completed at least six months continuous service with the Cooperative.
2. Employees hired specifically for the duration of a construction job, part-time or occasional employees, etc., are not eligible for classification as "regular employees".
3. This schedule will apply only to the single-family accommodation which is the place of residence of the employee or pensioner, where such person is head of the household served (or that person's spouse), or where he or she lives with and constitutes the support of a mother, father, or other immediate family.

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Schedule OL-1

OUTDOOR LIGHTING - YARD AND SECURITY

APPLICABILITY

Applicable to members of the Cooperative for lighting outdoor areas other than public streets, roads, and highways. Lighting service will be furnished from dusk to dawn by Cooperative-owned, vertically mounted 7,000 and/or 20,000 lumen mercury-vapor lamps supplied from Cooperative's 120/240 volt overhead circuits and mounted on Cooperative-owned wood poles.

TERRITORY

Within entire territory served by the Cooperative.

RATE

	Per Lamp Per Month
All night service:	
7,000 lumen mercury-vapor lamp	\$4.00
20,000 lumen mercury-vapor lamp	5.00

SPECIAL CONDITIONS

1. Whenever the lamp and fixture are mounted on an existing Cooperative-owned wood pole, the rate will be \$3.00 per month per lamp for 7,000 lumen lamp or \$4.00 per month for 20,000 lumen lamp.

2. Additional monthly charge of \$1.00 will be made for each pole installed under this schedule, which is in excess of the number of lamps installed.

3. The Cooperative will, at its own expense, install, operate, and maintain its standard overhead outdoor area lighting equipment. Equipment shall consist of an open-type fixture, photo-electric switch control and a support mounted on a wood pole at which 120/240 volt service is available.

4. Billing for a unit will be billed to only one account. Prorated billing to several accounts for one unit or a combination of units will not be made.

5. A contract for a period of five years may be required under this schedule, such contract remaining in effect from month to month thereafter until cancelled.

(Continued)

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Schedule OL-1

OUTDOOR LIGHTING - YARD AND SECURITY

SPECIAL CONDITIONS - Contd.

6. Location. Service under this schedule will only be furnished where, in the opinion of the Cooperative, no undue hazard, or expense will result because of location, excessive mounting height, or for other reasons.

7. Maintenance will normally be performed on a group or area basis. Individual maintenance will be done during regular working hours as soon as practical, subject to Cooperative's operating schedules, after consumer has notified the Cooperative of service failure. Credit for lamp outages will not be allowed.

8. The member shall obtain proper approval for location of equipment and shall obtain all permits and rights-of-way across private property when necessary.

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Rule No. 9

RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills.

1. Billing Period. Bills for electric service will be rendered monthly or as otherwise provided in tariff schedules.

The consumer may be requested to submit meter readings on a post-card form or other means which the Cooperative will provide for that purpose. In the event the consumer fails to provide meter readings the Cooperative may submit an estimated bill based on prior usage. The Cooperative will make periodic readings of such meters and any errors in past billings will be corrected on the basis of the readings taken by the Cooperative.

When a requested meter reading is not received from a consumer and a meter reading is estimated for billing purposes, a charge of fifty cents (50¢) will be made.

When requested meter readings have not been received for a period of three consecutive months the Cooperative will read the meter and will make a charge of five dollars (\$5.00) to cover expense of securing said reading.

2. Metered Service. Bills for metered service will be based on meter registrations. Meters will be read as required for the preparation of regular bills, opening bills, and closing bills. It may not be possible always to read meters on the same day of the month, and should a bimonthly billing period contain less than 50 days or more than 70 days, or should a monthly billing period contain less than 25 days or more than 35 days, a pro rata computation in the bill will be made.
3. Pro Rata Computation. Except as provided below, all bills for electric service rendered for periods of less than 50 days or more than 70 days on a bimonthly billing period or for periods of less than 25 days or more than 35 days on a monthly billing period will be computed in accordance with the applicable schedule, but the size of the energy blocks, and the amount of the consumer, service, demand, or minimum charge specified therein, will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average bimonthly or monthly period, which for this purpose shall be taken as 60 days and 30 days, or as otherwise provided in tariff schedules.

(Continued)

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Rule No. 9

RENDERING AND PAYMENT OF BILLS
(Continued)

When the total period of service is less than 30 days, no proration will be made, and no bill for such a service period shall be less than the specified monthly customer, service, demand, or minimum charge, plus the service establishment charge, if any, except, when temporary service is furnished and the customer has paid the estimated cost of installing and removing the service facilities, proration will be made.

- B. Reading of Separate Meters not Combined. For the purpose of billing, each meter upon the consumer's premises will be considered separately, and the readings of two or more meters will not be combined except as follows:
1. Where combinations of meter readings are specifically provided for in the rate schedule.
 2. Where the Cooperative operating convenience requires the use of more than one meter.
- C. Payment of Bills. All bills are due and payable on presentation, and payment should be made at the Cooperative's office or to an authorized representative or agent of the Cooperative.
- D. Closing Bill Payable on Presentation: Removal bills, special bills, bills rendered on vacation of premises, or bills rendered to persons discontinuing service, shall be paid on presentation. Bills for connection or reconnection of service and payments for deposits or to reinstate deposits as required under the rules of the Cooperative shall be paid before service will be connected or reconnected.