

## POLICY No. 6-2

### ELECTRIC RATES

#### PURPOSE OF POLICY:

To provide guidelines for establishing electric rates.

#### POLICY CONTENT:

##### Guidelines

- 1) Rates should be based on the mission of providing Inland Power's members with the lowest long-term costs for electric energy and should be consistent with sound business and environmental practices.
- 2) Rates should reflect, as nearly as possible, the actual cost of providing service to each consumer class. Consideration may also be given to rates charged by competitors to customers in similar consumer classes or the viability of certain loads that are especially sensitive to rate adjustments.
- 3) Rates shall be uniformly applied to all like consumers having like service characteristics. However, special long-term contracts may be implemented with large single loads, on a case-by-case basis, if such contracts are in the best interests of the entire membership.
- 4) Members' bills will include a 5% discount for prompt payment. If bills are not paid by the due date, that discount will be forfeited.

##### Rate Structure

The cost of providing electric service may include one or more of the following charges:

- 1) A fixed monthly fee for service availability.
- 2) A kilowatt hour charge for electricity used.
- 3) A demand charge based on the maximum amount of electricity used during any consecutive 30-minute period.
- 4) A fixed monthly fee for such things as outdoor lighting.
- 5) A horsepower charge for irrigation accounts.

**RESPONSIBILITY FOR IMPLEMENTATION:**

The board of trustees is responsible for reviewing revenue requirements and maintaining rates. The CEO is responsible for administering board established rates and for advising the board on the need for rate adjustments.

**POLICY APPROVAL DATE** 11/20/14

**POLICY EFFECTIVE DATE** 11/20/14



David Shill, President  
Board of Trustees