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**FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.**

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**GENERAL POLICY No. 304  
SUBJECT: RETAIL RATES**

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**I. PURPOSE:**

In order to provide member/owners with a vitally needed service, to ensure adequate revenue to cover the costs of such service, and to provide adequate revenue to maintain the system of the Cooperative at acceptable standards, it is necessary to establish a method for determining equitable charges for such service.

**II. POLICY:**

It shall be the policy of the Cooperative to establish and maintain equitable rate schedules and terms and conditions of service covering the provision of electric service for each classification of consumers, and to have such rate schedules and terms and conditions of service made a part of this policy, provided that all such rate schedules and terms and conditions of service shall have been filed with the Idaho Public Utilities Commission, the Wyoming Public Service Commission, the Montana Public Service Commission, and notification to the Federal Power Commission on the form used for that purpose.

**III. RESPONSIBILITY:**

- A. The Board of Directors has the responsibility of considering and adopting rate schedules for electric service as prepared by the CEO/General Manager, and of the periodic review of all rate schedules, and revisions as necessary to fulfill the purpose of this policy, and shall be responsible for the filing of any new or revised rate schedules and terms and conditions of service with the organizations listed in Part II of this policy prior to putting them into effect.
- B. The CEO/General Manager shall have the responsibility, with the assistance of their staff or special consultants, of initiating, developing, and recommending new or revised rate schedules and terms and

conditions of service for the consideration of the Board of Directors, and for the implementation and enforcement of all rate schedules and terms and conditions of service when adopted by the Board and filed with and approved by the agencies. The CEO/General Manager or their delegated representative shall further be responsible for the proper classification of all consumers for the purpose of applying established rate schedules.

#### **IV. PROVISIONS:**

In order to ensure equitable treatment of all members/consumers, the following provisions shall prevail in relation to this policy.

- A. All charges for electric service shall be made only on the basis of approved applicable rate schedules and terms and conditions of service.
- B. In no case shall electric service be provided to a consumer who has not fulfilled all provisions of General Policy No. 306 Consumer Accounting Practices.

#### **II. LARGE NEW SERVICE LOADS ( $\geq 2$ MW):**


- A. The CEO/General Manager is authorized to develop, implement, and administer a cost-based retail rate for any proposed new service of 2 MW or more, ensuring such rates are fair, equitable, and non-subsidizing to existing members upon receiving board approval. This includes rates which reflect:
  - 1. Cost of service as determined through detailed analysis.
  - 2. Prevailing market prices or the applicable High Water Mark for wholesale power used to serve the load.
  - 3. Any incremental costs required for power supply, delivery, and infrastructure.
- B. Prior to commitment of service, the Cooperative shall conduct a cost-of-service analysis to determine the appropriate retail rate, capital investment, and power supply needs. The cost of conducting this analysis shall be borne by the applicant requesting service.
- C. All large loads shall be subject to cost recovery for interconnection and required infrastructure upgrades:

1. A non-refundable interconnection study fee, paid in advance, to determine system impact and required improvements.
  2. Upfront payment for all infrastructure upgrades, including substations, transformers, transmission, and distribution assets required to serve the new load.
  3. A construction deposit and cost reconciliation mechanism which will include covering the actual costs.
- D. To mitigate the risk of stranded investments, the Cooperative may require one or more of the following as a condition of service:
1. An irrevocable letter of credit or bond.
  2. An escrowed security deposit.
  3. A prepayment of capital recovery over a defined term.
  4. A service agreement outlining minimum billing demand or take-or-pay provisions.
- E. These provisions are established to ensure that new large loads are not subsidized by the general membership and that existing members are protected from:
1. Rate increases caused by marginal or speculative loads.
  2. Power supply volatility.
  3. Infrastructure stranded costs.

**V. PRIMACY OF POLICY:**

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS

  
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Georg Behrens, President

DATE APPROVED: June 20, 2002

DATE UPDATED: May 22, 2017

November 18, 2019

June 17, 2023

July 30, 2024

June 21, 2025