

MINUTES OF THE BOARD OF COMMISSIONERS' MEETING

LANSING BOARD OF WATER AND LIGHT

Tuesday, January 26, 2010

The Board of Commissioners met in the Boardroom of the Administrative Offices, 1232 Haco Drive, Lansing, Michigan.

Present: Commissioners Margaret Bossenbery, Tony DeLuca, Peter Kramer, Frank Lain, Dennis Louney, Marilyn Plummer, Tracy Thomas and Sandra Zerkle.

Absent: None.

Chairperson Zerkle called the meeting to order at 5:30 p.m.

The Corporate Secretary declared a quorum present.

Commissioner Kramer led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion by Commissioner DeLuca, seconded by Commissioner Thomas to approve the minutes of the Rescheduled Regular Board Meeting of December 1, 2009.

Action: Carried unanimously.

PUBLIC COMMENTS

MEMBERS OF THE PUBLIC ARE WELCOME TO SPEAK TO THE BOARD ON ANY AGENDA SUBJECT. ANYONE WISHING TO COMMENT ON ANY MATTER NOT ON THE AGENDA MAY DO SO IMMEDIATELY PRIOR TO ADJOURNMENT.

Roger Parker of 1108 Pennsylvania stated his concerns regarding the proposed electric and water rate increases.

COMMUNICATIONS

- a. Thank you note from Rosemary Sullivan.

Received and Placed on File

- b. Phone message received on January 21, 2010 from Yvonne Steinway stating opposition to the rate increase.

Received and Placed on File

- c. An electronic mailing from Therese Hercher, no address given, requesting a two-month delay for the proposed rate increases.

Received and Placed on File

- d. An electronic mailing from Sandra Finely, no address given, stating concerns regarding the effect the rate increases will have on fixed income Senior Citizens.

Received and Placed on File

- e. A letter from Jacqueline Macgillivray of 914 Vine St. stating opposition to the rate increases on behalf of all Social Security benefit recipients.

Received and Placed on File

COMMITTEE REPORTS

EXECUTIVE COMMITTEE

December 4, 2009

The Executive Committee of the Board of Water and Light met at the Executive Offices, Lansing beginning at 11:30 a.m. on Friday, December 4, 2009.

Executive Committee Chair Sandra Zerkle called the meeting to order. The following committee members were present: Commissioners Sandra Zerkle, Peter Kramer, Dennis Louney and Frank Lain. Also present were Board Commissioners Marilyn Plummer and Tracy Thomas (arrived 11:50 a.m.).

Absent: None.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Lain, seconded by Commissioner Kramer to approve the minutes of the Executive Committee meeting held August 24, 2009.

Action: Carried unanimously.

Discussion on Furlough Days for Board Appointed Employees

Chair Zerkle stated the reason she called for this meeting was to clarify and to let the three employees that report to the Commissioners know exactly what is expected of them regarding the proposed furlough days, in particular the Internal Auditor and the Corporate Secretary.

General Manager J. Peter Lark stated that he recently entered an agreement approving eight furlough days for the bargaining unit.

Commissioner Kramer said at this time we have all management and non-bargaining and collective bargaining team members participating in the furlough days and any different treatment to the employees that report to us is unacceptable and we need to be consistent.

There was a brief discussion regarding the job evaluation process for Board Appointed Employees.

Commissioner Kramer stated that as a Board he believes that a performance criterion should be established because there is really no base line and no ability to measure performances. He stated that Commissioner DeLuca would write up an explanation of the process and forward it to all Commissioners.

Discussion on Reassignment of Job Duties of the Administrative Assistant to the Corporate Secretary

There was a lengthy discussion regarding the distribution of the job duties of the former assistant to the Corporate Secretary due to the retirement of Rosemary Sullivan who held that position.

Rosemary put together a list of job duties that she performed as Assistant to the Corporate Secretary.

General Manager J. Peter Lark stated that he felt that the Commissioners should have one secretary and would offer any assistance that the Corporate Secretary needed.

Brandie Ekren, General Counsel said that she had the opportunity to meet with the Corporate Secretary to discuss what additional responsibilities the Corporate Secretary will inherit from the list that was provided by Rosemary.

After a lengthy discussion and reviewing the list of additional responsibilities, General Manager Lark stated they the Administration is ready to assist the Corporate Secretary and that some things are being moved as we speak.

Chair Zerkle stated that the Corporate Secretary and Legal Counsel should sit down as stated by Mr. Lark and then meet with Human Resources Chair Tony DeLuca. Commissioner DeLuca can then bring recommendations to his Committee.

Other

Commissioner Louney spoke on the subject of the Commissioners' budget and said that he wanted to lead by example and was wondering if there could be more cuts to their budget. This reduction would show good faith to the employees.

After a brief discussion Commissioner Kramer said that normally around May the Board begins discussions about the budget and suggested maybe they could start a little earlier to bring Commissioner's Louney and Plummer up to date.

Assistant General Manager and Chief Financial Officer Susan Devon said she would be happy to discuss the Commissioners' Budget with any interested Commissioner.

There being no further business, the meeting adjourned at 12:30 p.m.

Respectfully submitted,
Sandra Zerkle, Chair
Executive Committee

COMMITTEE OF THE WHOLE
January 12, 2010

The Committee of the Whole of the Lansing Board of Water and Light met at the Executive Offices, Lansing beginning at 5:30 p.m. on Tuesday, January 12, 2010.

Chair Frank Lain called the Committee of the Whole meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Margaret Bossenbery, Tony DeLuca, Peter Kramer, Frank Lain, Dennis Louney, Marilyn Plummer, Tracy Thomas and Sandra Zerkle.

Absent: None

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Zerkle, seconded by Commissioner Bossenbery to approve the Committee of the Whole meeting minutes of November 11, 2009.

Action: Carried unanimously.

Rate Hearing Materials

General Manager J. Peter Lark presented the Committee of the Whole with materials relevant to the proposed rates increases. General Manager Lark stated that the same material had essentially been presented to the Finance Committee and he wanted to present this information to the Committee of the Whole as well. He stated that some of the figures might be slightly different because they were related to earlier months while the figures included in this packet of information are related to the month of November. He said the information in this packet is pretty accurate as to what will be presented at the Public Hearing next Thursday.

Commissioner Zerkle asked if there had been any feedback from the press.

In response to Commissioner Zerkle's question, General Manager Lark stated that the Lansing State Journal ran a couple of articles but believes that they were in general supportive of the rate request and one article stated that future rate increases would be in order as well. He said that he

believes furlough days and the fact that more than half of the required increase was due to State Law requirements were contributing factors to the feedback.

General Manager Lark spoke about noticing the public and said that staff has made people aware of the upcoming Public Hearing by printing a notice at the bottom of customers' utility bills as well as placing the notice on the Board of Water & Light's Website.

Commissioner Pete Kramer suggested placing the positive points first when making the presentation at the Public Hearing. He said there is a lot of great information in this presentation about the offsetting cost saving programs that have been implemented and all of the great work that has been done over the past two years and it should come up front while you have the attention of the audience.

Report on Ghana Trip

General Manager Lark introduced Tim Hyde, Water Production Manager for the Board of Water & Light.

General Manager Lark stated that the City of Lansing has a Sister City in Ghana, Akuapem South, and there has been a request to help the Sister City with their water system and to lend some advice. Tim Hyde was chosen to be the BWL's representative to go to Akuapem South. The Board of Water & Light did not have to spend any money on this trip; it was funded with Federal Money.

Mr. Hyde said the Lansing Regional Sister Commission approached the Board of Water & Light's General Manager Peter Lark and Dick Peffley, Executive Director of Water Operations & Special Projects, about a representative to join the delegation that was headed to Akuapem South, Ghana, to assess their sanitation and hygiene needs as part of a Federal Government Grant.

Mr. Hyde gave an overview of his trip and reviewed the pictures that were included in the packet that showed some of the sanitation issues that Akuapem South is dealing with. (Pictures are on file and available for viewing in the Office of the Corporate Secretary)

Mr. Hyde said that Ghana is a very friendly and beautiful nation and they were very hospitable and he would not turn it down if it works out that he has the opportunity to go there again.

LED Lights

General Manager Lark introduced Kellee Christensen, Manager of Customer Projects & Development for the Board of Water & Light.

General Manager Lark stated LED lights have been installed from the Radisson Hotel on Grand Avenue to the Lansing State Journal. They look like regular fixtures, but instead of using 400-watt lamps, the LED's only use 40 watts. He said these lights are on the cutting edge and the Board of Water & Light is really in the vanguard of street lighting. Tonight there are some companies and others coming by to view our LED lights. The Board of Water & Light has received a lot of attention press wise throughout the country on the LED lights.

Ms. Christensen stated that the Board of Water & Light recently completed a project on Grand Avenue that they undertook at the request of the City of Lansing. The City of Lansing wanted to

make the streets more "Green" to go along with the rain gardens and the other green initiatives that they are doing.

A Grant was applied for through APPA to look at the idea of piloting LED Street Lighting. Ms. Christensen stated that her team worked with the manufacturer to develop a better-looking product that met standard lighting patterns and fit Lansing's historic light fixtures. She stated that the Grant was the catalyst and there were 30 prototype lights installed and evaluated for about a year after they were installed.

Ms. Christensen said her team worked hard with Sylvania to come up with the product that is now installed. She said tonight about 18 people are coming to town to view the LED street lights, including other municipalities as well as Sylvania's engineering and sales people.

Ms. Christensen stated that Management has been extremely supportive of this project and her team is excited as they continue to push forward.

Chairs' Reports

Commissioner Zerkle stated that she is the longest standing Commissioner that the Board has and she has dealt with many personality issues. She said the current Board is superb, but she wanted everyone to be mindful and to remember that there are three Committees where decisions should be made, and when decisions are made other Commissioners should respect that.

Chair Lain stated that Commissioners are allowed and encouraged to attend any Committee meeting to be more informed.

Other

None

Adjourn

On Motion by Commissioner Thomas, seconded by Commissioner DeLuca, the meeting adjourned at 6:24 p.m.

Respectfully submitted
Frank Lain, Chair
Committee of the Whole

MANAGER'S RECOMMENDATIONS

General Manager J. Peter Lark addressed some of the questions that were asked during the Public Hearing on the proposed electric and water increase before asking the Board for their approval of the resolution before them.

RESOLUTION #2010-01-01

Resolution

Electric and Water Rate Increases

WHEREAS, the Corporate Financial Target for each of the Lansing Board of Water and Light's Strategic business units is 6.18% return on net fixed assets and materials and supplies that would require \$18.1 million of electric net income and \$11.8 million of water net income; and

WHEREAS, the Fiscal Year 2010 Electric Utility budget filed with the City of Lansing, including mandated costs of Renewable Energy and Energy Optimization Plans in compliance with 2008 PA 295, would result in electric net income of \$3.2 million or a 1.13% return on net fixed assets and materials and supplies; and

WHEREAS, first quarter electric retail sales reduction caused by a cooler than normal summer and reductions in wholesale revenues reflective of the current economic conditions will negatively affect the Fiscal Year 2010 budgeted net income beyond that reflected in the original budget projections; and

WHEREAS, the Fiscal Year 2010 Water Utility budget filed with the City of Lansing would result in a water utility net loss of \$6.4 million or a negative 3.53% return on net fixed assets and materials and supplies; and

WHEREAS, the current forecast of electric and water net income projection for Fiscal Year 2010 are \$2.6 million and negative \$4.7 million respectively; and

WHEREAS, the Staff has proposed implementation of a Renewable Energy Plan Surcharge to recover the cost of 2008 PA 295 compliance; and

WHEREAS, the Staff has proposed implementation of an Energy Optimization Surcharge to recover the cost of 2008 PA 295 compliance; and

WHEREAS, the Staff has recommended that the Basic Service Charges for certain electric rate schedules be increased; and

WHEREAS, the Staff has proposed to increase annual water billings by \$2.3 million, and

WHEREAS, notice of the proposed increases were communicated to all customers by public notice on January 6, 2010, and a public hearing was held on January 21, 2010 to receive comments on the proposed increases; and

WHEREAS, the Board of Commissioners has considered the comments of the public as well as recommendations made by the BWL.

RESOLVED, that the electric and water rate schedules listed below and detailed in the attached rate schedules be adopted and made effective for electric and water consumption on or after March 1, 2010.

ELECTRIC: (Attachment A)

- Residential Service - Rate 1
- General Service - Rate 3
- Large General Service - Rate 4
- Primary Service - Rate 5
- Municipal Water Pumping Service - Rate 7
- Large Capacity Service - Rate 8
- Traffic Light Service - Rate 11
- Space Conditioning and Electric Water Heating Service - Rate 12
- Residential Senior Citizen - Rate 21
- Street Lighting Service - Rate 31
- Street Lighting Service - Rate 32
- Renewable Energy Plan Surcharge

Energy Optimization Surcharge

WATER: (Attachment B)

- Residential Water Service – Rate 1
- General Water Service – Rate 2
- Fire Service – Rate 4
- Lawn Sprinkling Water Service – Rate 5
- Fire Hydrant Charges – Rate 6

Motion by Commissioner Louney, seconded by Commissioner Kramer, to approve the resolution for the electric and water rate schedules effective on or after March 1, 2010.

Action: Carried unanimously

Vice Chair Lain thanked Management team for all of their hard work during this process. Chair Zerkle thanked General Manager Lark and all of the staff at the Board of Water & Light. She stated that this process has been much better under the leadership of Mr. Lark. She also commended the Commissioners' because this was not an easy decision in this economic crisis. Ultimately the Commissioners' responsibility is to remember the mission, which is to have safe, reliable, reasonable rates and good stewardship for the environment.

Detailed rate schedules listed below.

Attachment A
Electric Rate Schedules

**RESIDENTIAL ELECTRIC SERVICE
RATE NO. 1**

Availability - This rate is available to any single-family or multifamily dwelling of 4 units or less when the entire electric requirements are supplied at one point of delivery through one meter. Service to appurtenant buildings may be taken through the same meter.

Service under this rate is not available to any single-family or multifamily dwelling unit of 4 units or less when a portion of the dwelling unit is used for commercial, industrial, or resale purposes unless the wiring is so arranged that service for residential and non-residential purposes are metered separately.

Nature of Service - The service is alternating current, 60 hertz, single phase, 120/240 nominal volts.

Monthly Rate - Shall be computed in accordance with the following charges:

Basic Service Charge	<u>3/1/10</u> \$7.50	Per customer per month
Commodity Charge		Summer Billing Months of June through October
	\$.0799	Per kWh for the first 500 kWh
	\$.0847	Per kWh for all over 500 kWh
		Winter Billing Months of November through May
	\$.0799	Per kWh for the first 500 kWh
	\$.0829	Per kWh for all over 500 kWh

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge - This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board of Water and Light (BWL) property, or its operation, or the production and/or sale of electric energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

GENERAL ELECTRIC SERVICE RATE NO. 3

Availability - This rate is available to any customer desiring secondary voltage service for any purpose when supplied at one point of delivery through one meter. The limitation to secondary-voltage service may be waived in instances where the character of the electric load at the premises served has changed substantially. This rate is not available for emergency or standby service.

Nature of Service - The service is alternating current, 60 hertz, single phase or three phase. The secondary voltage is determined by the Board of Water and Light (BWL).

Monthly Rate - Shall be computed in accordance with the following charges.

Basic Service Charge	<u>3/1/10</u> \$17.98	per customer per month
Commodity Charge	\$.0924	Summer Billing Months of June through October per kWh
		Winter Billing Months of November through May per kWh
	\$.0892	

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge – This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Metering - Where the BWL elects to measure the service on the primary side of the transformers, the metered kWh thus measured will be reduced by 3% for billing purposes to adjust for transformer losses. Where the customer receives service

through more than one meter, the consumption as registered by the different meters will not be combined for billing purposes, but will be computed and billed separately.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

LARGE GENERAL ELECTRIC SERVICE RATE NO. 4

Availability - This rate is available to any customer desiring secondary voltage for any purpose when the electrical requirements are supplied at one point of delivery through one metering installation and the billing demand is 15 kW or more. The limitation to secondary-voltage service may be waived in instances where the character of the electric load at the premises served has changed substantially. This rate is not available for standby or emergency services.

Nature of Service - The service is alternating current, 60 hertz, single phase or three phase. The secondary voltage is determined by the Board of Water and Light (BWL).

Monthly Rate - Shall be computed in accordance with the following charges.

	<u>3/1/10</u>	
Basic Service Charge	\$38.35	per customer per month
Capacity Charge	\$10.03	Per kW for all kW of Maximum Demand
Commodity Charge	\$.0528	Summer Billing Months of June through October
		Per kWh
	\$.0489	Winter Billing Months of November through May
		Per kWh
Reactive Power Charge	\$0.0091	per kvarh in excess of 50% of total kWh.

The Reactive Power Charge shall be applicable to customers who have reactive kilovar hour (kvarh) metering installed in accordance with BWL Rules and Regulations regarding power factor.

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge - This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge - This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge - This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Billing Demand - The billing demand shall be the kW supplied during the 15-minute period of maximum use during the month.

Metering - Where the BWL elects to measure the service on the primary side of the transformer, the metered kW and kWh quantities thus measured will be reduced by 3% for billing purposes to adjust for transformer losses. Where the customer

receives service through more than one metering installation, the consumption as registered by the different metering installations will not be combined for billing purposes, but will be computed and billed separately.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**PRIMARY ELECTRIC SERVICE
RATE NO. 5**

Availability - This rate is available to any customer desiring primary voltage service when the electrical requirements are supplied at one point of delivery through one metering installation (except as provided below for Multiple Delivery Point Aggregation) and the billing demand is 100 kW or more. This rate is not available for standby or emergency service.

Nature of Service - The service is alternating current, 60 hertz, three phase. The primary voltage is determined by the Board of Water and Light (BWL).

Monthly Rate - Shall be computed in accordance with the following charges:

	<u>3/1/10</u>	
Basic Service Charge	\$95.90	per customer per month
Capacity Charge	\$8.14	Per kW for all kW of On-Peak Billing Demand, plus
	\$2.70	Per kW for all kW of Maximum Demand
Commodity Charge		Summer Billing Months of June through October
	\$0.043	Per kWh for all kWh during the On-Peak Period, plus
	\$0.045	Per kWh for all kWh during the Off-Peak Period, plus
		Winter Billing Months of November through May
	\$0.044	Per kWh for all kWh during the On-Peak Period, plus
	\$0.045	Per kWh for all kWh during the Off-Peak Period
Reactive Power Charge	\$0.0091	per kvarh in excess of 50% of total kWh

The Reactive Power Charge shall be applicable to customers who have reactive kilovar hour (kvarh) metering installed in accordance with BWL Rules and Regulations regarding power factor.

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge - This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge - This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge - This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Billing Demand

On-Peak Billing Demand: The On-Peak Billing Demand shall be the kW supplied during the 15-minute period of maximum use during the On-Peak Period during the month.

Maximum Demand: The Maximum Demand shall be the kW supplied during the 15-minute period of maximum use during the month whether on peak or off-peak.

Schedule of on-peak and off-peak periods - The On-Peak Period shall be from 10:00 a.m. until 6:00 p.m., Monday through Friday. All other hours shall comprise the Off-Peak Period.

**PRIMARY ELECTRIC SERVICE
RATE NO. 5**

Multiple Delivery Point Aggregation - The 15-minute period demands of multiple delivery points of a customer may be summed for determination of the total On-Peak Billing Demand under the following conditions: (a) the Maximum Demand at each delivery point must equal or exceed 100 kW; (b) the total On-Peak Billing Demand shall not be less than 4,000 kW; and (c) the customer shall agree to a service contract with the BWL for the customer's full electrical service requirements at the aggregated delivery points for a period of not less than five (5) years. Aggregation shall be applicable for determination of the On-Peak Billing Demand only. All other charges, including the Basic Service Charge and Maximum Demand, shall apply to each delivery point independently.

Metering - When the BWL elects to measure the service on the secondary side of the transformers, the metered kW and kWh quantities thus measured will be increased by 3% for billing purposes to adjust for transformer losses. Where the customer receives service through more than one meter installation, consumption as registered by the different meter installations will not be combined for billing purposes, but will be billed and computed separately except as provided for in Multiple Delivery Point Aggregation.

Equipment Supplied by Customer - The customer shall be responsible for furnishing, installing and maintaining all necessary transforming, controlling and protective equipment required for service beyond the BWL primary-voltage delivery point. At the sole option of the BWL, a customer may lease such transformers or other equipment from the BWL under terms established by the BWL.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**MUNICIPAL WATER PUMPING ELECTRIC SERVICE
RATE NO. 7**

Availability - This rate is available to any political subdivision or agency of the State of Michigan desiring service for potable water pumping and associated potable water production equipment when the entire electrical requirements are supplied at one point of delivery through one meter. This rate is not available for emergency, standby, or auxiliary service.

Nature of Service - The service is alternating current, 60 hertz, three phase. The secondary or primary voltage is determined by the BWL.

Monthly Rate - Shall be computed in accordance with the following charges.

	<u>3/1/10</u>	
Basic Service Charge	\$11.98	Per customer per month
Commodity Charge	\$.0719	Per kWh

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge - This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Metering - Where the BWL elects to measure the service on the primary side of the transformers serving the customer, the metered kWh thus measured will be reduced 3% for billing purposes to adjust for transformer losses.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

LARGE CAPACITY ELECTRIC SERVICE RATE NO. 8

Availability - This rate is available to any customer desiring primary voltage service when: (a) the electrical requirements are supplied at one or more points of delivery as provided below for Multiple Delivery Point Aggregation; (b) where the total On-Peak Billing Demand is 25,000 kW or more; and (c) the customer agrees to a service contract with the BWL for the customer's full electrical service requirements at the applicable delivery points for a period of not less than ten (10) years. This rate is not available for standby or emergency service.

Nature of Service - The service is alternating current, 60 hertz, three phase. The primary voltage is determined by the Board of Water and Light (BWL).

Monthly Rate - Shall be computed in accordance with the following charges:

Basic Service Charge	<u>3/1/10</u> \$299.69	per delivery point per month
Capacity Charge	\$9.17 \$1.72	per kW for all kW of On-Peak Billing Demand, plus per kW for all kW of Maximum Demand
Commodity Charge	Summer Billing Months of June through October \$0.0421 \$0.0374	per kWh for all kWh during the On-Peak Period, plus per kWh for all kWh during the Off-Peak Period, plus
	Winter Billing Months of November through May \$0.0406 \$0.0374	per kWh for all kWh during the On-Peak Period, plus per kWh for all kWh during the Off-Peak Period
Reactive Power Charge	\$0.0091	Per k varh in excess of 50% of total kWh

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge – This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Billing Demand

On-Peak Billing Demand: The On-Peak Billing Demand shall be the total kW supplied to all applicable delivery points during the 15-minute period of maximum use during the On-Peak Period during the month. (See Multiple Delivery Point Aggregation.)

Maximum Demand: The Maximum Demand for each delivery point shall be the kW supplied during the 15-minute period of maximum use during the month whether on peak or off-peak.

LARGE CAPACITY ELECTRIC SERVICE RATE NO. 8

Schedule of on-peak and off-peak periods - The On-Peak Period shall be from 10:00 a.m. until 6:00 p.m., Monday through Friday. All other hours shall comprise the Off-Peak Period.

Multiple Delivery Point Aggregation - The 15-minute period demands of multiple delivery points of a customer shall be summed for determination of the total On-Peak Billing Demand under the following conditions: (a) the Maximum Demand determined at each delivery point must equal or exceed 1,000 kW; and (b) the total On-Peak Billing Demand shall not be less than 25,000 kW. Aggregation shall be applicable for determination of the On-Peak Billing Demand only. All other charges, including the Basic Service Charge and Maximum Demand, shall apply to each delivery point independently.

Metering - When the BWL elects to measure the service on the secondary side of the transformers, the metered kW and kWh quantities thus measured will be increased by 3% for billing purposes to adjust for transformer losses. Where the customer receives service through more than one meter installation, consumption as registered by the different meter installations will not be combined for billing purposes, but will be billed and computed separately except as provided for Multiple Delivery Point Aggregation.

Equipment Supplied by Customer - The customer shall be responsible for furnishing, installing and maintaining all necessary transforming, controlling and protective equipment required for service beyond the BWL primary-voltage delivery point. At the sole option of the BWL, a customer may lease such transformers or other equipment from the BWL under terms established by the BWL.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

RATE NO. 11

Availability - This rate is available to any political subdivision or agency of the State of Michigan desiring unmetered secondary service for operating traffic lights installed on streets or highways for traffic control and guidance.

Nature of Service - The service is alternating current, 60 hertz, single phase, 120/240 nominal volts

Monthly Rate - Shall be computed in accordance with the following charges.

	<u>3/1/10</u>	
Basic Service Charge	\$2.30	Per customer per month

Commodity Charge \$.0356 Per watt of active load per month

The actual labor, material, miscellaneous and indirect charges experienced maintaining and relamping traffic signals during the preceding month.

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Determination of Active Load - The active load of flasher lamps or cyclically operated traffic control lamps shall be 50% of total wattage of all lamps used during one complete cycle of operation. The active load of continuous, non-intermittent steady burning lamps shall be 100% of the total wattage of all lamps used.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**SPACE CONDITIONING AND
ELECTRIC WATER HEATING SERVICE
RATE NO. 12**

Availability - This rate is available to any customer desiring service for commercial/industrial space conditioning and/or electric water heating furnished through a separate meter to which no other electrical device except electric space heating, electric air conditioning, humidity control equipment or electric water heating equipment may be connected. Electric space heating will be considered to include heating by light system provided the primary means of space heating at the time of maximum heating requirements will be furnished by the lighting system with the balance of the heating requirements furnished by supplementary electric heating equipment. This rate is not available to new applications for heat for light systems received after March 1, 1979. This rate is not applicable to the use of electricity for electric air conditioning unless the customer has permanently installed electric space heating equipment and uses it as the principal source of space heating, or to the use of electricity for occasional or seasonal substitute for another method of water heating.

Nature of Service - The service is alternating current, 60 hertz, single phase at Board of Water and Light (BWL) available secondary voltage. Three phase service will be furnished at BWL option.

Monthly Rate - Shall be computed in accordance with the following charges.

<u>Basic Service Charge</u>	<u>3/1/10</u> \$23.97
<u>Commodity Charge</u>	Summer Billing Months of June through October \$.1048 per kWh
	Winter Billing Months of November through May \$.0680 per kWh

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge – This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bill shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**RESIDENTIAL ELECTRIC SERVICE,
SENIOR CITIZEN
RATE NO. 21**

Availability - This rate is available to any single family or multifamily dwelling of 4 units or less when the entire electric requirements are supplied at one point of delivery through the same meter. The customer must be 65 years of age and head of the household being served. Service to appurtenant buildings may be taken through the same meter.

Service under this rate is not available to any single family or multifamily dwelling of 4 units or less unit when a portion of the residence or dwelling unit is used for commercial, industrial, or resale purposes unless the wiring is so arranged that service for residential and non-residential purposes are metered separately.

Customers taking service under this rate shall provide evidence of age and contract with the Board of Water and Light (BWL) to remain on this rate for at least twelve (12) months.

Nature of Service - The service is alternating current, 60 hertz, single phase, 120/240 nominal volts.

Monthly Rate - Shall be computed in accordance with the following charges.

Basic Service Charge	<u>3/1/10</u> \$4.83
Commodity Charge	\$.0598 per kWh for the first 300 kWh \$.0957 per kWh for the next 200 kWh \$.1257 per kWh for all over 500 kWh

Minimum Bill - The minimum bill is the basic service charge included in the monthly rate.

Energy Cost Adjustment - This rate is subject to an Energy Cost Adjustment factor added to the above energy charges and calculated as defined on a separate rate schedule incorporated herein by this reference.

Environmental Charge – This rate is subject to an Environmental Charge as defined on a separate rate schedule incorporated herein by this reference. The current Environmental Charge is \$0.0005/kWh.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Energy Optimization Surcharge – This rate is subject to the Energy Optimization Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the BWL.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**STREET LIGHTING SERVICE
BOARD OWNED SYSTEMS
RATE NO. 31**

Availability - Available to any political subdivision or agency of the State of Michigan for street lighting service for any system consisting of one or more luminaires where the BWL has an existing distribution system with secondary voltage available. Luminaires may be installed with no limitations as to spacing between luminaires. Where an overhead line extension is required to serve one or more luminaires, the BWL will furnish 350 linear feet of line extension per luminaire served from such extension. A special agreement will be required if more than 350 linear feet of line extension per luminaire is required.

Nature of Service - The BWL will furnish, install, own, operate, and maintain all equipment comprising the street lighting system, and supply the unmetered energy. The BWL reserves the right to furnish service from either a series or multiple system or both.

Annual Rate - The annual rate per luminaire with fixture and setting, payable in twelve (12) monthly installments, shall be as follows:

High Pressure Sodium Luminaire	<u>3/1/10</u>
70 W	\$78
100 W	\$88
150 W	\$103
250 W	\$125
400 W	\$159
1000 W	\$326
Mercury Vapor Luminaire ¹	
100 W	\$83
175 W	\$99
250 W	\$117
400 W	\$151
1000 W	\$285
Metal Halide Luminaire	
175 W	\$174
250 W	\$199
400 W	\$201
1000 W	\$390
1500 W	\$598
Induction Luminaire	
85 W	\$83
165 W	\$100

Rates apply to existing luminaires only and are not open to new business except where the BWL elects, at the customer's request, to install additional luminaires within an area already served by a mercury vapor lighting system

Annual Rate (continued)

plus an additional annual charge, depending on type of installation, of:

	<u>3/1/10</u>
Wood Pole – Overhead Service	<u>None</u>
Wood Pole – Underground Service	\$90
Concrete Pole – Overhead Service	\$142
Concrete Pole – Underground Service	\$142
Post Top	\$90
Historic – Single Top	\$295
Large Historic – Dual Top	\$863
Small Historic – Dual Top	\$613
Wall/Tunnel – 8760 hours	\$125
Wall/Tunnel – 4200 hours	\$76
Bollard	\$293

Customer Contribution - The annual rates are based on fixtures normally stocked by the BWL, and installed utilizing normal construction techniques. The BWL may, at its option, upon customer request install a street lighting system not covered by the rates below. The customer, after installation, will be required to make a one time contribution equal to the difference between the actual installed cost and the BWL estimated installed cost of a standard installation. The annual unit charge for each luminaire will then be as stated below.

Unit Replacement - The BWL may, at its option, upon customer request replace existing street light units. After installation, the customer shall make a one time contribution equal to the undepreciated value of the unit plus the cost of removal.

Special Terms and Conditions - The BWL reserves the right to make special contractual arrangements as to termination charges, contributions in aid of construction, term or other special considerations when the customer requests service, equipment or facilities not normally provided under this rate.

Renewable Energy Plan Surcharge – This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

**STREET LIGHTING SERVICE
CUSTOMER OWNED SYSTEMS
RATE NO. 32**

Availability - Available to any political subdivision or agency of the State of Michigan for street lighting service for any system consisting of one or more luminaires where the BWL has an existing distribution system available.

Nature of Service - The BWL will connect the customer's equipment to BWL lines, furnish the control equipment, supply the unmetered energy, control the burning hours of the lamps, provide normal replacement of luminaire refractors, control devices and lamps. The customer will furnish, install and own all equipment comprising the street lighting system, including, but not limited to the overhead wires or underground cables between luminaires and the supply circuits extending to the point of attachment with the BWL. All maintenance and replacement of the customer's equipment except normal lamp and glass replacement shall be paid by the customer. The BWL reserves the right to furnish service from either a series or multiple system or both.

Annual Rate- The annual rate per luminaire, payable in twelve (12) monthly installments, shall be as follows:

High Pressure Sodium Luminaire	<u>3/1/10</u>
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70 W	\$41
100 W	\$51
150 W	\$65
250 W	\$87
400 W	\$123
1000 W	\$291
Mercury Vapor Luminaire ²	
175 W	\$60
250 W	\$79
400 W	\$112
1000 W	\$247
Incandescent Luminaire ³	
2500 L	\$82
4000 L	\$130
6000 L	\$158

Maintenance Charge - The actual labor, material, miscellaneous and indirect charges experienced maintaining street light units during the preceding month.

Combined Rates - The annual rate for units consisting of more than one luminaire shall be the appropriate combination of individual unit charges above.

Rates apply to existing luminaires only and are not open to new business except where the BWL elects, at the customer's request, to install additional luminaires within an area already served by a mercury vapor lighting system.

¹ *Rates apply to existing luminaires only and are not open to new business.*

**STREET LIGHTING SERVICE
CUSTOMER OWNED SYSTEMS
RATE NO. 32**

Special Terms and Conditions - The BWL reserves the right to make special contractual arrangements as to termination charges, contributions in aid of construction, term or other special considerations when the customer requests service, equipment or facilities not normally provided under this rate.

Renewable Energy Plan Surcharge - This rate is subject to the Renewable Energy Plan Surcharge as defined on a separate rate schedule incorporated herein by this reference.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the BWL property, or its operation, or the production and/or sale of electrical energy, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill that is not paid on or before the due date.

Rules and Regulations - Service under this rate is subject to the BWL Rules and Regulations for Electric Service incorporated herein by this reference.

RENEWABLE ENERGY PLAN SURCHARGE

The Renewable Energy Plan Surcharge (REP Surcharge) is designed to recover Renewable Energy Plan program costs, as required by 2008 PA 295.

The REP Surcharge will appear as a line item on the customer's bill.

Monthly REP Surcharges are as follows:

<u>Rate Schedule</u>	<u>REP Surcharge 3/1/2010</u>
<u>Residential</u>	
Rate 1 Residential	\$2.50/customer
Rate 21 Senior Citizen Residential	\$1.50/customer
<u>Secondary Commercial and Industrial</u>	
Rates 3,4,7,and 12	\$0.003/kWh
Minimum Monthly Charge	\$3.50/customer
Maximum Monthly Charge	\$15.00/customer
<u>Primary Commercial and Industrial</u>	
Rates 5 and 8	\$160.00/delivery point
<u>Traffic Light Service</u>	
Rate 11	
Less than 914 Active Watts	\$3.00/Intersection
914-3650 Active Watts	\$9.00/Intersection
Greater than 3650 Active Watts	\$15.00/Intersection
<u>Street Lighting Service</u>	
Rates 31 and 32	
Less than 100W Luminaire	\$0.20/Luminaire
100W or greater Luminaire	\$0.50/Luminaire

ENERGY OPTIMIZATION SURCHARGE

The Energy Optimization Surcharge (EO Surcharge) is designed to recover Energy Optimization Plan program costs, as required by 2008 PA 295.

The EO Surcharge will appear as a line item on the customer's bill.

Monthly EO Surcharges are as follows:

<u>Rate Schedule</u>	<u>EO Surcharge 3/1/2010</u>	<u>EO Surcharge Self-Directed 3/1/2010</u>
<u>Residential</u>		
Rate 1 Residential	\$0.001853/kWh	NA
Rate 21 Senior Citizen Residential	\$0.001853/kWh	NA
<u>Small Secondary Commercial and Industrial</u>		
Rates 3,7, and 12	\$6.58/customer	\$0.46/customer
<u>Large Secondary Commercial and Industrial</u>		
Rate 4	\$65.78/customer	\$4.61/customer
<u>Primary Commercial and Industrial</u>		
Rates 5 and 8	\$461.20/delivery point	\$32.28/delivery point

Attachment B

**RESIDENTIAL WATER SERVICE
RATE NO. 1**

Availability - This rate is available to any single-family residence or multifamily dwelling of 4 units or less served by one meter.

Monthly Rate - Shall be computed in accordance with the following charges.

Basis Service Charge: per customer per month or part thereof:

Meter	<u>3/1/10</u>
5/8"	\$8.90
3/4" *	\$12.46
1"	\$23.16
1¼" or 1½"	\$51.65
2"	\$90.81

Commodity Charge: per ccf of water used per month;
\$2.24

** The BWL standard residential installation is a 1" service line with a ¾" meter. The BWL reserves the right, in its sole judgment, to install 5/8" meters on any new service installation when circumstances warrant.*

Power and Chemical Cost Adjustment - The power and chemical cost adjustment shall consist of an increase or decrease of 0.1¢ per ccf billed for each 0.1¢ increase or decrease in the average cost of power and chemicals required to deliver treated water to the customer's meter above or below 44.7¢ per ccf. The cost per ccf for the billing period shall consist of the weighted average cost of chemicals, electricity, steam and oil used in pumping and treatment facilities during the one month period preceding the month billed by two months.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of water, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Minimum Charge - The minimum charge shall be the above Basic Service Charge applied for 30 days.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill which is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the Board.

Rules and Regulations - Service under this rate is subject to the Board of Water and Light Rules and Regulations for Water Service which are incorporated herein by this reference.

**GENERAL WATER SERVICE
RATE NO. 2**

Availability - This rate is available to any customer served on the BWL's water system. Service under this rate is not available for resale.

Monthly Rate - Shall be computed in accordance with the following charges.

Basic Service Charge: per customer per month or part thereof;

Meter	<u>3/1/10</u>
5/8"	\$8.90
3/4" *	\$12.46
1"	\$23.16
1¼" or 1½"	\$51.65

2"	\$90.81
3"	\$204.77
4"	\$365.02
6"	\$820.79
8"	\$1,458.30
10"	\$2,279.16

Commodity Charge: per ccf of water used per month;
 \$2.24

** The BWL standard residential installation is a 1" service line with a ¾" meter. The BWL reserves the right, in its sole judgment, to install 5/8" meters on any new service installation when circumstances warrant.*

Power and Chemical Cost Adjustment - The power and chemical cost adjustment shall consist of an increase or decrease of 0.1¢ per ccf billed for each 0.1¢ increase or decrease in the average cost of power and chemicals required to deliver treated water to the customer's meter above or below 44.7¢ per ccf. The cost per ccf for the billing period shall consist of the weighted average cost of chemicals, electricity, steam and oil used in pumping and treatment facilities during the one month period preceding the month billed by two months.

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of water, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Minimum Charge - The minimum charge shall be the above Basic Service Charge applied for 30 days.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill which is not paid on or before the due date.

Application Charge - A \$7.00 charge shall be added to the first regular bill for all customers turning on service at a service location irrespective of prior service with the Board.

Rules and Regulations - Service under this rate is subject to the Board of Water and Light Rules and Regulations for Water Service which are incorporated herein by this reference.

**FIRE SERVICE
 RATE NO. 4**

Fire Service - A fire service line will be installed to a fire hydrant(s) or a customer's detector check valve in accordance with the schedule of charges for water system connection fees (Rate 3) and the current water service installation charges set forth in the Rules and Regulations for Water Service. The location of the detector check valve shall be determined by the Water Distribution Engineering Department.

Fire service lines shall be used for fire protection purposes only. No additional charges will be made for water used for testing and fire purposes. The customer shall maintain the detector check valve and fire protection system connected thereto in good condition in compliance with Section 34-9, Repair and Protection of Equipment, of the Code of the City of Lansing, Michigan.

Monthly Fire Service Charge - Water supply and maintenance of a fire service line to a detector check valve shall be provided in accordance with the following schedule of charges:

Service Size	<u>3/1/10</u>
4" or smaller	\$61
6"	\$136
8"	\$241
10" or larger	\$376

Tax Adjustment - Bills shall be increased within the limits of any governmental authority or political subdivision which levies taxes, license fees, franchise fees, or any other charges against the Board's property, or its operation, or the production and/or sale of water, to offset any such cost and thereby prevent other customers from being compelled to share such local increases.

Minimum Charge - Billings subject to this rate are not subject to a minimum charge.

Delayed Payment Charge - A delayed payment charge of 5% of the unpaid balance, excluding delayed payment charges, shall be added to any bill which is not paid on or before the due date.

Rules and Regulations - Service under this rate is subject to the Board of Water and Light Rules and Regulations for Water Service which are incorporated herein by this reference.

Adopted: January 26, 2010

Effective: March 1, 2010

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

MANAGER'S REMARKS

General Manager Lark announced that on March 4, 2010 the Board of Water & Light, in partnership with the Capital Area Community Services charity is planning its 1st Annual Wine, Beer and Cheese tasting event to support Pennies for Power. The event will be held at the Impression 5 Science Center located at 200 Museum Drive from 5:30 p.m. – 7:00 p.m. Tickets are \$35 per person. This event helps hundreds of families in the Lansing community.

COMMISSIONERS' REMARKS

There were no Commissioner's remarks.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

On motion by Commissioner DeLuca, seconded by Commissioner Kramer, the meeting adjourned at 6:00 p.m.

M. Denise Griffin, Corporate Secretary
Filed with Lansing City Clerk
February 5, 2010