

KOOTENAI ELECTRIC COOPERATIVE, INC.  
Policy No. 3-11

I. SUBJECT: Changes in Rates

II. OBJECTIVE:

To establish policy for the development and implementation of changes in the Cooperative's rate schedules governing the Cooperative's provision of electric service.

III. POLICY:

- A. The Cooperative's General Manager shall, upon request from the Board of Directors, develop recommended changes in the Cooperative's rates for providing electric service. The General Manager shall provide supporting documentation which projects the Cooperative's expenses and revenue requirements.
- B. Not less than 60 days prior to the date on which the Board approves a change in rates, the proposed change and a concise explanation therefore shall be set forth in a written notice and mailed to each member of any directly affected rate class (herein the "Affected Members"). Such notice shall request that written comments from the Affected Members be submitted no later than 7 days prior to a membership hearing convened by the Board of Directors for the purpose of recording the statements and questions of the Affected Members relating to the proposed change and to respond to them as determined appropriate by the Board. The rate hearing shall be scheduled no earlier than 30 days following written notice and its date, time and place conveyed within it. The Board of Directors will consider such comments on the proposed change and decide its disposition at a subsequent regular or special board meeting, the date of which shall be announced at the close of the membership hearing.
- C. At its discretion, the Board may implement a rate change without complying with the notice and hearing procedures set forth herein under the following circumstances:
  - a. The impact on the Cooperative's annual revenue is projected by management to be less than .5%; and 2) the new rate to be paid by the affected members is an increase of 10% or less, or
  - b. The change in revenue is the result of adjustments to the Power Cost Adjustment as outlined in applicable rates.

