

# All-Electric School Building Service Agreement



THIS AGREEMENT, dated \_\_\_\_\_ 20 \_\_\_\_\_,

by and between \_\_\_\_\_ of \_\_\_\_\_,  
(Corporate Name) (State of Incorporation)

herein called the "Customer", and The Detroit Edison Company, a Michigan corporation, of 2000 2<sup>nd</sup> Avenue, Detroit, Michigan 48226, herein called the "Company", is for a supply of electric energy to be delivered by the Company to the Customer's premises located at

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City-Village-Township

The supply shall be delivered by the Company and received and paid for by the Customer under the following terms and conditions.

1. For new primary installations over 1000 kW, this Agreement shall be for a period of five (5) years beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, or whenever service is made available after that date and thereafter shall be extended from month to month until terminated by mutual consent of the parties hereto or on twelve months written notice by either party, which may be given at any time after the end of the fourth year. For new primary installations of 1000 kW or less, and for new customers at existing installations, the term is for one (1) year

beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, extending thereafter from month to month until terminated by mutual consent or on one month written notice by either party. The one year term, under special circumstances, may be increased or reduced at the discretion of the Company. Where special services are required, the term will be as specified in the applicable contract rider.

2. The Company shall furnish the Customer service twenty-four hours a day subject, however, to interruption by agreement or upon advance notice or by accident or other causes not under the reasonable control of the Company. Service is also subject to interruption by action of the Emergency Electrical Procedures as delineated in Rule B-3.7.

3. The Customer shall pay for the supply of electric energy delivered by the Company at the rate shown on the final page being the current rate as approved by the Michigan Public Service Commission.

4. With respect to the monthly billing rate, the following definitions apply:

a. Power Supply Recovery Clause:

1. This Power Supply Recovery Clause permits the monthly adjustment of rates for power supply to allow recovery of the booked costs of fuel and purchased and net interchange power transactions incurred under reasonable and prudent policies and practices in accordance with 1982 PA 304. All rates for electric service, unless otherwise provided in the applicable rate schedule, shall include a Power Supply Cost Recovery factor.
2. The Power Supply Cost Recovery factor is that element of the rates to be charged for electric service to reflect power supply costs incurred by the Company and made pursuant to the Power Supply Cost Recovery Clause.
3. Effective January 22, 1994, the Power Supply Cost Recovery Factor shall consist of an increase or decrease of .01078 mills per kWh for each full .01 mill increase or decrease in the projected average booked cost of fuel burned for electric generation and purchased and net interchange power incurred above or below a base of 15.49 mills per kWh. Average booked Cost of fuel burned and purchased and net interchange power shall be equal to the booked costs in that period divided by that period's net system kWh requirements. Net system kWh requirements shall be the sum of the net kWh generation and net kWh purchased and interchange power.

8. In some cases the Customer is eligible to take service under any one of two or more rates. If requested, the Company will advise the Customer in the selection of the rate which will give him the lowest cost of service, based on the information at hand, but the responsibility for the selection of rate lies with the Customer.

- a. After the Customer has selected the rate under which he elects to take service, he is not permitted to change from that rate to another until twelve months have elapsed. Neither will a Customer be permitted to evade this rule by the device of temporarily terminating his service.
- b. However, the Company may, at its option, waive this rule where it appears that an earlier change is requested for permanent rather than for temporary or seasonal advantage. The intent of this rule is to prohibit frequent shifts from rate to rate. As used in this rule, the word "rate" shall include applicable riders.

9. The All-Electric School Building Service Rate and the Rules and Regulations applicable thereto as set forth in the Company's Rate Schedule are on file with and have been approved by the Michigan Public Service Commission. The Rate Schedule is subject to change from time to time by order issued by the Michigan Public Service Commission.

- a. The supply is also governed by the Rules for Electrical Service established by the Michigan Public Service Commission (Case No. U-6400), and by the Rules of the Company on file with the Commission which do not form a part of the Rate Schedule. All rules are subject to change from time to time.

Accepted:

THE DETROIT EDISON COMPANY

Company: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Signature

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

- b. **Power Factor Clause:** The rates and charges under this tariff are based on the customer maintaining a power factor of not less than 85% lagging. Power factor determinations are as follows: For the determination of power factor, the Company, as its option, will install a lagging reactive component meter in addition to the kilowatt-hour meter used for the measurement of energy. From the readings of these two meters the power factor for the regular billing period will be determined according to the following table:

Ratio of Registration of Reactive Component Meter to Registration of Kilowatt-hour Meter	Power Factor
1.021 and higher	.699 and lower
1.020 to .883	.700 to .749
.882 to .752	.750 to .799
.751 to .622	.800 to .849
.621 to .000	.850 to 1.000

Power Factor: At the Company's option, a penalty will be applied to the total amount of the monthly billing in accordance with the following table:

Power Factor	Penalty
.850 and higher	None
.800 to .849	1%
.750 to .799	2%
.700 to .749	3%

Power factors less than .700 are not permitted and necessary corrective equipment must be installed by the customer. A 25% penalty will be applied to any billing after two consecutive months below .700 power factor and will continue as long as the power factor remains below .700. The first two consecutive months below .700 the penalty will be 3%. Once the Customer's power factor exceeds .700, it is necessary to go through two consecutive months below .700 again before the 25% penalty applies.

5. Applications for electric service which require construction of a system line extension or other facilities will be subject to the provisions of Rule B-3.3.

6. Customer-owned equipment must be operated so that voltage fluctuations on the primary distribution system of the Company shall not exceed permissible limits.

7. The Customer may be permitted to transfer from this rate to a secondary-commercial rate, provided they can meet the availability requirements, if the load characteristic changes sufficiently so that the Customer would benefit by the change for the foreseeable future even though metering was continued at primary voltage. Frequent changes, however, from one rate to another for a period less than one full year will not be permitted in accordance with Rule B-2.4 — Choice of Rates.

For example, during the period that a building is under construction, primary service may be supplied and metered at primary voltage and billed on a secondary rate while the building is under the jurisdiction of the contractor.

At the option of the Company, service may be supplied at the primary voltage and metered at a secondary voltage when the Customer transfers from a secondary rate. For loads metered at a secondary voltage (less than 600V), all measured kWhs shall be increased by 2%.

## All-Electric School Building Service Rate

**Availability of Service:** Available to customers desiring service in school buildings served at primary voltage, who contract for a specified installed capacity of not less than 50 kilowatts at a single location provided the space heating and water heating for all or a substantial portion of the premises is supplied by electric service and is installed on a permanent basis.

**Hours of Service:** 24 hours, subject to interruption by agreement, or by advance notice.

**Current, Phase, and Voltage:** Alternating current, three-phase, nominally at 4,800 or 13,200 at the option of the Company.

**Rate Per Month:**

Service Charge:

\$108.00 per customer per month, plus

Energy Charge:

8.626¢ per kWh for all kWh, except that during the billing months of November through May, usage shall be billed at

6.956¢ per kWh.

**Base Rate Reduction:** A credit of 3.227% applied to the base bill.

**Power Supply Cost Recovery Factor:** The Energy Charge in the above rate is subject to the provisions of Schedule Designation B-4.6.

**Surcharges and Credits:** As approved by the Commission. See Schedule Designation B-4.9.

**5% Securitization Reduction:** A credit of 5% applied to the base bill and surcharges, excluding the Rate Increase Surcharge.

**Late Payment Charge:** See Schedule Designation B-2.10.

**Minimum Charge:** The Service Charge.

**Power Factor Clause:** The rates and charges under this tariff are based on the customer maintaining a power factor of not less than 85% lagging. Power factors of less than 70% will not be permitted and the customer will be required to install at his own expense such corrective equipment as may be necessary to improve the power factor. At the Company's option, a penalty will be applied to the total amount of the monthly billing for electric energy when the power factor is below 85% lagging, in accordance with the table in Power Factor Determination, Schedule Designation B-4.5.

**Special Terms and Conditions:** Customer-owned equipment must be operated so that voltage fluctuations on the primary distribution system of the Company shall not exceed permissible limits.

At the option of the Company where service to a large school complex, as a matter of design, primary voltage is furnished with Company owned transformers at remote locations fed by customer owned primary cables, the account can be billed on a secondary rate though metered at one central primary voltage location at or near the termination of the utility-owned cables.

Effective on service rendered on and after February 21, 2004, under authority of Order of the Michigan Public Service Commission in Case U-13808 dated February 20, 2004.