

 Oakdale Electric Cooperative		Board Policy
Policy Name: Electric Retail Rates		Policy No: 7.01
Last Reviewed/Revised: 08-31-2023		Page 1 of 1

Purpose: To set forth policy relating to the development and implementation of electric rates that matches the strategic objectives of Oakdale Electric Cooperative.

Policy:

A. Commitment to Rate Design

It is the policy of the board of directors of Oakdale Electric Cooperative (OEC) to develop electric rates that allow OEC to provide electricity that is reliable, cost based, and maintains the cooperative's financial strength at the lowest possible retail cost to members.

B. Basic Fundamentals

i. OEC will prepare revenue requirements and cost-of-service studies every five years (at a minimum), with applicable updates in the interim as required to have information needed to develop rates.

ii. Rates will be developed and implemented that:

- a. Allocate cost across rate classes in an equitable manner.
- b. Minimize subsidies between classes.
- c. Minimize subsidies within a class.
- d. Generate margins adequate to meet annual lender requirements and long-term financial objectives as per OEC's Financial Policy.
- e. The rate may be increased or decreased per kWh by any Power Cost Adjustment (PCA) or Rate Surcharge on the current month wholesale power bill.

C. Monitoring

Management should be held accountable for implementing rates as approved by the board of directors and on an annual basis report to the board of directors as to the need to adjust rates to account for changes in costs or strategic initiatives.

Issued: 6/1/1984	Reviewed Date (no revisions):	Revised Date: 09/24/2008,7-29-2020, 8-31-2023
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