

**MERCED IRRIGATION DISTRICT****ELECTRIC SERVICE SCHEDULE IRC**  
**INVESTMENT RECOVERY CHARGE****APPLICABILITY:**

This Schedule is applicable to customers who were served by the District on or after January 1, 2010, and have displaced all or a portion of their load with service from a utility other than Merced Irrigation District.

**TERRITORY SERVED:**

This Schedule applies within the area where Merced Irrigation District provides electric service.

**RATES:**

The Investment Recovery Charge for each year is calculated by dividing the District's aggregated debt service for all currently outstanding debt issues for that year by the District's most recently recorded 12 months of retail sales (MWh). The resulting Investment Recovery Charge, expressed in dollars per MWh, will be multiplied by the customer's Reference Period Load Profile, as calculated under Special Condition 1, below, and divided by twelve to arrive at the monthly amount due.

**SPECIAL CONDITIONS:**

1. Reference Period Load Profile: For customers who have occupied a premises and consumed load for a period of at least 12 months prior to customer's Notice of Departure (see Special Condition 4), the customer's Reference Period Load Profile will be based on the lower of: 1) the customer's energy consumption over the 12-month period prior to the date of District's receipt of customer's Notice of Departure; or 2) the customer's average 12-month energy consumption, with such average measured over the prior 36 months of usage.
2. Vintaging: To implement this Schedule, it will be necessary to record the dates of District customer departures to ensure that departing customers bear cost responsibility for debt service obligations of the District that relate to service provided by the District to the departing customer. For example, if a customer leaves the District in 2010, it will be responsible for any IRCs that may arise in connection with new debt issued in 2010 and debt issued during prior years. The customer will not be responsible for IRCs that may arise in connection with new debt issued in 2011, 2012, or any other future year.
3. Payments: Upon departing the District, customers may elect to make either a lump sum payment of the IRC owed the District or monthly payments over the duration of the IRC. The District will issue annual or monthly bills in accordance with the provisions of this Schedule.
4. Notice of Departure: Customers are obligated to notify the District of their intent to discontinue or reduce District electric service in accordance with the following procedure:

*Continued*

*Effective January 2010*

A customer shall notify the District in writing of its intent to displace all or a portion of

its load with service from another utility (the Notice of Departure). The customer shall specify in its Notice of Departure the following:

- a. The date on which the customer will reduce or discontinue its electric service (Date of Departure);
- b. A description of the load that will be displaced;
- c. The name of the other utility from which the customer will take service; and
- d. The customer's preferred billing determinants (12-month or 36-month) for its Reference Period Load Profile, as described in Special Condition 1. At the customer's election, metered data can be used on a prospective basis.

Failure to provide a Notice of Departure including all the elements specified above will constitute a violation of this tariff and a breach of the customer's obligations to the District, entitling the District to collect the applicable IRCs from the customer on a lump sum basis.

5. When a customer moves out of the premises they will be required to pay the total lump sum amount owed or make appropriate arrangements for future payment.
6. Customers may appeal the IRC and request an investigation. Any customer whose complaint or request for an investigation has resulted in an adverse determination may appeal the determination within ten (10) business days to the District's Board of Directors.
7. Failure to make IRC payments will cause the total outstanding IRC amount to be due and payable immediately to the District.