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| SCHEDULE 140 |
| PROPERTY TAX TRACKER |

1. **APPLICABILITY:**

This rate is applicable to all Customers of the Company and will be applied to all bills to Customers with Energy usage during a month when this schedule is effective.

1. **PURPOSE:**

The purpose of this schedule is to pass through the cost of all property taxes incurred by the Company.

1. **MECHANISM:**
2. To implement the mechanism in April, 2013, property taxes will be removed from general rates by reducing the energy component or per unit rate for street lights and rentals or for Schedules 448 and 449 by reducing the distribution charge for the amount of the property taxes included in Docket Nos. UE-111048 and UG-111049 and those same costs will be included as an energy component rate, or a per unit component rate, in the Schedule 140 tracker. For billing purposes the Schedule 140 rates will be included with the general rate tariff billing resulting in a zero overall impact.
3. Following this initial implementation the mechanism will act as a tracker rate schedule wherein it will collect the total amount of property taxes assessed, as billed by counties or states from the last property tax cycle (“Assessed Property Taxes”). Where the Company has not received a bill for property taxes from any given county (“Delayed Billing County”) Assessed Property Taxes shall include an estimate of taxes equal to the prior year’s tax assessed by the Delayed Billing County. A property tax cycle is approximately sixteen months, from January 1st of every year, when the taxing authorities obtain the right to tax the Company’s property, until April the following year when information provided by the states and counties provides the actual property taxes owed.
4. With implementation of this tracker mechanism, in addition to removing the cost of all property taxes from general rates as described, the tracker will be adjusted each year in May based on that year’s Assessed Property Taxes. For example, if property taxes for April 2013 exceed that for April 2012, this difference will be positive and will, if the true-up described in section 3.d. of this schedule is zero, result in an overall increase to customer rates. If this difference is negative it will, if the true-up described in section 3.d of this schedule is zero, result in an overall decrease to customer rates.