

RESOLUTION NO: _____
Date Passed: _____, 2012

ESTABLISHING UTILITY SERVICES PRICE SCHEDULE FOR ELECTRIC

WHEREAS, the City of Rochelle is a body politic and corporate, organized and existing pursuant to the Illinois Municipal Code, 65 ILCS 5/1-1, et. seq.; and

WHEREAS, the City provides utility services including electric, water, sewer, wastewater treatment, and advanced communications to the greater Rochelle community through the Utility Department, which is commonly referred to as Rochelle Municipal Utilities (RMU); and

WHEREAS, Section 98-4 of the Rochelle Municipal Code provides that charges and rates for utility services provided by the utility department, including electric, shall be established and modified from time to time by City Council resolution; and

WHEREAS, RMU has caused a Cost of Service Study to be prepared by Baker Tilly Virchow Krause, LLP of Madison, WI, and the findings of the study have been presented to the Utility Advisory Board and the City Council, and

WHEREAS, the City Council finds that an increase in the electric rates will ensure that the Electric Division can meet its obligations, and that it is appropriate that electric rates be increased, effective May 1, 2012 in accordance with the findings contained in the Baker Tilly study and the Rochelle Municipal Utilities, City of Rochelle Electric Rate schedules attached hereto as Exhibit A and Electric Riders attached hereto as Exhibit B: and

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the City of Rochelle as follows:

1. The Rochelle Municipal Utilities, City of Rochelle Electric Rates attached hereto as **Exhibit A** and Electric Riders attached hereto as **Exhibit B** and made a part hereof are hereby approved, effective May 1, 2012.
2. The City Manager is authorized to set a fee for services not specifically listed in the pricing schedule referenced in the above paragraph.

PASSED AND APPROVED this 23rd day of April, 2012.

ATTEST:

City Clerk

Mayor

EXHIBIT A

ELECTRICITY

**Rochelle Municipal Utilities
City of Rochelle
Electric Rates**

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Passed by the
Rochelle City Council
On _____ 2012

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #110 - Residential

Availability

- A. This rate is available to a single-family private residence as 60 cycle, single phase service at a nominal voltage of 120, 120-208, or 120-240 volts, furnished through one meter for domestic purposes only, including lighting, domestic appliances, heating, refrigeration, cooking and domestic power using single phase motors five horsepower or less.
- B. Service hereunder will be furnished only to a single occupancy. Where service to an apartment building is desired hereunder, each occupancy shall be treated as a separate customer, provided, however, that in an apartment building containing six or fewer apartments, the hall lights and building operating equipment (including no motor larger than one horsepower and not more than five horsepower for all motors) may either be connected to the metering installation for one of the apartments, or service for such lights and equipment may be furnished under this rate to the building operator as a separate customer.
- C. Where a residence and a business are combined in one premises, including farms, service will not be furnished hereunder for the whole premises unless the preponderant requirement is for residential purposes.

Charges

- A. Minimum Bill \$5.75
- B. Monthly Customer Charge \$5.75
- C. Energy Charge:
All kilowatt hours (kWhs) @ \$.1034
- D. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- E. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #130 - Small General Service Rate

Availability

- A. This rate is available to any customer for general service at one location as 60 cycle, single phase and/or three phase service through one meter at the secondary voltage available at the customer's location and where a demand recording meter has not been installed.
- B. The installed three phase capacity shall be determined on the basis of nameplate rating or manufacturer's data; or, in the case of an incorrect or missing nameplate, Rochelle Municipal Utilities may establish the rating by test.

Charges

- A. Minimum Bill \$9.75
- B. Monthly Customer Charge \$9.75
- C. Energy Charge:
 - First 1,000 kilowatt hours (kWhs) @ \$.1300
 - Over 1,000 kilowatt hours (kWhs) @ \$.1051
- D. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- E. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
- F. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #140 - Small General Service with Demand

Availability

- A. This rate is available to any customer qualifying for service under Rate #130 - Small General Service as qualified below.
- B. A demand meter must be installed and the maximum demand must be less than 200 kilowatts (kW).

Charges

- A. Demand Charge:
 - All kilowatts (kW) @ \$7.80
- B. Energy Charge:
 - First 5,000 kilowatt hours (kWh) @ \$.0874
 - Next 35,000 kilowatt hours (kWh) @ \$.0718
 - Over 40,000 kilowatt hours (kWh) @ \$.0607
- C. The monthly kW demand charge shall be the greater of:
 - 1. A minimum of 25 kW, or
 - 2. The customer's highest 15 minute demand incurred each month, or
 - 3. 80% of the customer's most current and highest June, July or August – 15 minute demand.
- D. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- E. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
- F. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #150 - Large General Service

Availability

- A. This rate is available to any customer with a maximum demand of more than 200 kilowatts (kW) and less than 4,999 kW who takes electric service hereunder for all requirements.
- B. A demand meter must be installed. Where there are two or more demand metering installations on the customer's premises, the demand at such installations in each 15 minute period of any month shall be assumed to be the same as the highest demand in any 15 minute period of such month and shall be added together to determine the total demand. Where there are two or more watt-hour metering installations on the customer's premise, the kilowatt hours supplied shall be determined by adding together the kilowatt hours metered at such installations. The maximum demands and the kilowatt hours supplied at two or more premises will not be combined for billing purposes hereunder.

Charges

- A. Demand Charge:
All kilowatts (kW) @ \$10.40
- B. Energy Charge:
First 200 kWh/kW @ \$.0593 (kW x 200 kWh/kW x \$.0456)
Over 200 kWh/kW @ \$.0482 (kWh - (kW x 200 kWh/kW)) x \$.0371
- C. The monthly kW demand charge shall be the greater of:
 - 1. A minimum of 200 kW, or
 - 2. The customer's highest 15 minute demand incurred each month, or
 - 3. 100 % of the customer's most current and highest June, July or August-15 minute demand.
- D. The kW demand in the energy blocks shall be the customer's greatest 15 minute demand during the month.
- E. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- F. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
- G. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #151 - Large General Service - Interruptible

Availability

- A. This rate is available to any customer with a maximum demand of more than 200 kilowatts (kW) who takes electric service hereunder for all requirements. Initiation of service must occur between September 15 and December 15 and will extend for no less than twelve months.
- B. A demand meter must be installed. Where there are two or more demand metering installations on the customer's premises, the demand at such installations in each 15 minute period of any month shall be assumed to be the same as the highest demand in any 15 minute period of such month and shall be added together to determine the total demand. Where there are two or more watt-hour metering installations on the customer's premise, the kilowatt hours supplied shall be determined by adding together the kilowatt hours metered at such installations. The maximum demands and the kilowatt-hours supplied at two or more premises will not be combined for billing purposes hereunder.
- C. Customer agrees to interrupt service within two hours of notice for a period not to exceed eight hours in duration and not more than ten occurrences per calendar year.

Charges

- A. Demand Charge:
All kilowatts (kW) @ \$8.00
- B. Energy Charge:
First 200 kWh/kW @ \$.0593 (kW x 200 kWh/kW x \$.0593)
Over 200 kWh/kW @ \$.0482 (kWh - (kW x 200 kWh/kW)) x \$.00482
- C. The monthly kW demand charge shall be the greater of:
 - 1. A minimum of 200 kW, or
 - 2. The customer's highest 15 minute demand incurred each month, or
 - 3. 100 % of the customer's most current and highest June, July or August-15 minute demand.
- D. The kW demand in the energy blocks shall be the customer's greatest 15 minute demand during the month.
- E. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt-hours supplied in the month.
- F. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
- G. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.
- H. Should the customer choose to discontinue electric service under Rate #151 prior to the required twelve month period, or fail to interrupt service as specified in section C under the definitions of Eligible Customers, then a penalty charge plus interest will be assessed. Such penalty charge will be equal to the provided savings of \$1.85 per KW Demand plus 5% interest compounded on a monthly basis.

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Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #160 - Large General Service Time-of-Day

Availability

- A. This rate is available to any customer qualifying for service under Rate #150 - Large General Service as qualified below.
- B. A time-of-day meter must be installed. The primary demand and energy use should occur during the off-peak period.
- C. The on-peak period is defined as all hours during the period starting 9:00 a.m. and ending 10:00 p.m. Central Standard Time or Central Daylight Savings Time, whichever is applicable, of each day except all hours on Saturday, Sunday, and the days the following holidays are generally observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Any hour not falling within the on-peak period shall be considered to be in the off-peak period.

Charges

- A. Monthly Facilities Charge \$65.00
- B. Demand Charge:
All kilowatts(kWs) @ \$7.80
- C. Energy Charge:
On-Peak kilowatt hours (kWhs) @ \$.0754
Off-Peak kilowatt hours (kWhs) @ \$.0429
- D. The monthly kW demand charge shall be the greater of:
 - 1. A minimum of 200 kW, or
 - 2. The customer's highest 15 minute on-peak demand incurred each month, or
 - 3. 100% of the customer's most current and highest June, July or August – 15 minute on-peak demand.
- E. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- F. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
- G. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

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Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #163 – Data Center/Fuel Ethanol Production Time-of-Day

Availability

This rate is available to any new or existing customer whose maximum monthly kilowatt demands will be 1,000 kilowatts or more, provided the eligibility requirements set forth below are met.

1. The customer's principal activity is to provide data services (a customer classified as Standard Industrial Classification "SIC" codes 7371 through 7375) or the production of fuel ethanol (SIC code 2869).
2. A minimum demand of at least 1,000 kilowatts per/month.
3. A time-of-day meter must be installed. The primary demand and energy use should occur during the off-peak period.
4. The on-peak period is defined as all hours during the period starting 9:00 a.m. and ending 10:00 p.m. Central Standard Time or Central Daylight Savings Time, whichever is applicable, of each day except all hours on Saturday, Sunday, and the days the following holidays are generally observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Any hour not falling within the on-peak period shall be considered to be in the off-peak period.

Charges

- | | | |
|----|---|---------|
| A. | Monthly Facilities Charge | \$50.00 |
| B. | Demand Charge:
All kilowatts(kWs) @ | \$7.75 |
| C. | Energy Charge:
On-Peak kilowatt hours (kWhs) @ | \$.0750 |
| | Off-Peak kilowatt hours (kWhs) @ | \$.0428 |
- D. The monthly kW demand charge shall be the greater of:
 1. A minimum of 1,000 kWs, or
 2. The customer's highest 15 minute on-peak demand incurred each month, or
 3. 100% of the customer's most current and highest June, July or August – 15 minute on-peak demand.
 - E. The adjustment charge provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
 - F. The adjustment charge provided for in Rider 2, Power Factor Clause, shall apply in the event an average power factor of at least 95% is not maintained.
 - G. The late payment charge payable in any month shall be an amount equal to 1.5% times the sum of (1) the current monthly bill, or part thereof, that remains unpaid after the due date, and (2) any unpaid amounts from prior billing periods, including previously assessed late payment charges.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #170 - Municipal Street Lighting

Availability

- A. This rate is available to any municipality served by Rochelle Municipal Utilities.
- B. Rochelle Municipal Utilities will furnish and operate the necessary facilities to supply municipal street lighting service from dusk to dawn for the number of lighting units ordered by the customer.

Charges

- A. For Metered Lights:
 - 1. All kilowatt hours (kWhs) @ \$0.1240
 - 2. The adjustment charge or credit provided for in Rider 1, Power Cost Adjustment Clause, shall apply to all kilowatt hours supplied in the month.
- B. For Unmetered Lights:
 - 1. Monthly Charge per 100 Watt Light \$6.25
 - 2. Monthly Charge per 250 Watt Light \$9.50

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #175 – Street, Highway & Traffic Signal Lighting Rate

Availability

- A. This rate is available to any customer using standard metered electric service for the operation of a public street or highway general lighting system, public street or highway intersection lighting system, public street or highway decorative lighting system, public street or highway traffic signal lighting system, and dusk to dawn protective lighting for public parks.
- B. The customer will have the responsibilities of ownership.

Charges

- A. Any installations made by Rochelle Municipal Utilities will be directly charged to the customer including time, materials and the related payroll, equipment and administrative and general loadings.
- B. The charges as described under Small General Service Rate #130 will apply.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #180 - Security Lighting

Availability

- A. This rate is available to any customer for outdoor lighting service.
- B. Rochelle Municipal Utilities will furnish and operate the necessary facilities to supply service from dusk to dawn for the number of lighting units ordered by the customer.
- C. If the installation of a standard lighting unit requires the installation of a pole, the pole may be installed by Rochelle Municipal Utilities or the customer.

Charges

A. With Installation: (if a pole is installed by Rochelle Municipal Utilities)

- 1. Monthly Charge per 100 Watt Light \$6.25
- 2. Monthly Charge per 250 Watt Light \$9.50

B. Without Installation: (if a pole is not installed by Rochelle Municipal Utilities)

- 1. Monthly Charge per 100 Watt Light \$5.25
- 2. Monthly Charge per 250 Watt Light \$6.25

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #190 - Commercial Redevelopment

Availability

- A. This rate is available to any new or existing customer whose maximum monthly kilowatt demands will be less than 200 kilowatts, provided the eligibility requirements set forth below are met.
1. A for-profit commercial or retail business must locate in an unused building located in the City of Rochelle. The business may be new or an expansion of an existing business, however, in all cases this rate only applies to the increase in kilowatt hours supplied.
 - a. The building must have been empty for at least three months. Newly constructed buildings do not qualify.
 - b. The building must be brought up to City building codes.
 - c. The building must be purchased or leased for a term of at least two years.
 - d. Existing electrical equipment, metering and water and sewer facilities must be utilized without any modifications by Rochelle Municipal Utilities. Any modifications required must be made at the customer's expense.
 2. Increased kilowatt hour use or kilowatt demands for which discounts will be applicable must be the result of an increase in business activity, and not merely the result of resumption of normal operations following a strike, fire, equipment failure or other interruption of operations.
 3. A contract with a term of at least one year must be executed between the customer and Rochelle Municipal Utilities setting forth anticipated demand of the customer, the discounts, any related provisions and the effective date of the contract.

Charges

- A. The rates set forth under Rates #130 and #140 Small General Service will be discounted 20% for the first twelve months the customer takes service under Rate #190 Commercial Redevelopment. After the first twelve months the customer must take service under Rates #130 or #140 Small General Service as defined therein.
- B. The customer may elect to defer payment of the first three monthly bills until the fourth month without a late payment charge being applied.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rate #195 - Industrial Development

Availability

This rate is available to any new or existing customer whose maximum monthly kilowatt demands will be 200 kilowatts or more, provided the eligibility requirements set forth below are met.

1. The customer's principal activity at the location at which service is to be provided is the manufacture or distribution of a product or products.
2. A probable demand of at least 200 kilowatts in a least nine of twelve months.
3. Significantly increased kilowatt hour use or kilowatt demands for which discounts will be applicable must be the result of an increase in business activity, and not merely the result of resumption of normal operations following a strike, fire, equipment failure, plant shutdown or other interruption of operations.
4. A contract with a term of at least one year must be executed between the customer and Rochelle Municipal Utilities setting forth anticipated demand of the customer, the discounts, any related provisions and the effective date of the contract.

Charges

The rates set forth under Rates #150 and #160 - Large General Service will be discounted. The discount will be determined on a case-by-case basis. In general, the discounts will be designed around a "Base Maximum Kilowatt Demand", as defined in the contract.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Interdepartment Usage

General

- A. Interdepartment usage is defined as that usage by City departments within the City of Rochelle.
- B. Interdepartment usage will be billed at the appropriate rate, given the type of service provided, as set forth in the electric rates.

EXHIBIT B

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rider 1 – Power Cost Adjustment Clause

The energy charges to electric customers taking service under a rate where this rider applies shall be increased by a power cost adjustment charge for each \$.0001 or major fraction thereof by which the average cost of power per kWh purchased and generated input into the system for the preceding month exceeds 5.46 cents (\$.0546) per kWh. The power cost adjustment clause will be implemented when the average purchase and generation costs exceed 5.46 cents per kWh. For purposes of this calculation, average power costs shall be determined as follows:

Line

No.

1.	Previous Month's Purchased Capacity and Energy Costs =	A
2.	Previous Month's Transmission Costs =	B
3.	Previous Month's Ancillary Services and Congestion Related Charges =	C
4.	Previous Month's Power Supply Agent Costs =	D
5.	Previous Month's Delivered Fuel Costs for RMU Generation =	E
6.	Total Power Costs for Previous Month =	A+B+C+D+E (Lines 1+2+3+4+5)
7.	KWhs Purchased and Generated in Previous Month:	
8.	Purchased from suppliers =	kWh
9.	Generated from RMU Units =	kWh
10.	Total kWhs Purchased and Generated in Previous Month =	(Sum of Lines 7+8)
11.	Unit Power Cost =	(Line 6/Line10)
12.	Apply Loss Factor of 1.06 =	(Line 11x 1.06) (Round to 4 decimal places)
13.	Base Power Cost =	\$.0546
14.	Power Cost Adjustment Factor =	(Line 12 – Line 13)

EXHIBIT B

ELECTRICITY

**Rochelle Municipal Utilities
City of Rochelle
Electric Riders**

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Passed by the
Rochelle City Council
On _____ 2012

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rider 1 – Power Cost Adjustment Clause

The energy charges to electric customers taking service under a rate where this rider applies shall be increased by a power cost adjustment charge for each \$.0001 or major fraction thereof by which the average cost of power per kWh purchased and generated input into the system for the preceding month exceeds 5.46 cents (\$.0546) per kWh. The power cost adjustment clause will be implemented when the average purchase and generation costs exceed 5.46 cents per kWh. For purposes of this calculation, average power costs shall be determined as follows:

Line

No.

1.	Previous Month's Purchased Capacity and Energy Costs =	A
2.	Previous Month's Transmission Costs =	B
3.	Previous Month's Ancillary Services and Congestion Related Charges =	C
4.	Previous Month's Power Supply Agent Costs =	D
5.	Previous Month's Delivered Fuel Costs for RMU Generation =	E
6.	Total Power Costs for Previous Month =	A+B+C+D+E (Lines 1+2+3+4+5)
7.	KWhs Purchased and Generated in Previous Month:	
8.	Purchased from suppliers =	kWh
9.	Generated from RMU Units =	kWh
10.	Total kWhs Purchased and Generated in Previous Month =	(Sum of Lines 7+8)
11.	Unit Power Cost =	(Line 6/Line10)
12.	Apply Loss Factor of 1.06 =	(Line 11x 1.06) (Round to 4 decimal places)
13.	Base Power Cost =	\$.0546
14.	Power Cost Adjustment Factor =	(Line 12 – Line 13)

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rider 2 – Power Factor Clause

Where any of a customer's utilization equipment has characteristics which, in Rochelle Municipal Utilities' judgment, may cause interference with service to other customers or result in operation at a power factor below 95%, the customer shall, at the request of Rochelle Municipal Utilities, provide suitable facilities to preclude such interference or improve such power factor, or both, as the case may be. Otherwise, Rochelle Municipal Utilities shall have the right to provide, at the expense of the customer, the facilities necessary to preclude such conditions.

ELECTRICITY

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Electric Rates

Effective Date May 1, 2012

Rider 3—Capacity-Based Load Response and System Reliability Program Guaranteed Load Drop

This program ("Program") is available to all non-residential customers of the municipal electric utility ("RMU"). In order to be a participant in the program ("Participant"), the customer must complete and submit an Election to Participate in Capacity-Based Load Response and System Reliability Program, Guaranteed Load Drop form ("Election Form") for each year of the Program. By so doing, the customer agrees to be bound by the following terms for that year:

1. Applicability. Participant acknowledges that its participation in the Program is governed by the provisions of this Rider and all other applicable rates set forth in RMU's Utility Service Price Schedule for the applicable Program year. Any changes to this Rider, applicable rates and other applicable portions of the Utility Service Price Schedule shall be applicable to participation hereunder. If a matter or item is addressed in the Utility Service Price Schedule but is not specifically addressed herein, the treatment of such matter or item as set forth in the Utility Service Price Schedule shall apply. If a conflict exists or develops between the provisions of this Rider (on the one hand) and the Utility Service Price Schedule (on the other hand), then the provisions of the Utility Service Price Schedule shall prevail.

2. Term; Termination. The term of participation shall be the one-year period commencing with the start of business on June 1 of the applicable program year and ending upon the close of business on May 31 of the year following ("Term"). The Participant may unilaterally terminate its participation in the program by giving written notice, hand delivered to the RMU General Manager by no later than 5:00 P.M. CST on the Termination Notice Date set forth in the Election Form. RMU may terminate Participant's participation in the program at any time on thirty (30) days written notice if RMU becomes aware of circumstances under Participant's control that, in RMU's sole discretion, negate the value of the load response provided.

3. Definitions.

"Event" shall mean a mandatory Interruption, as called by RMU under the provisions of the Agreement.

"Interrupt" or "Interruption" shall mean the acts necessary to be undertaken by Participant in order to reduce its requirement for the supply of electric capacity during an Event.

"RMU" shall mean Rochelle Municipal Utilities

“CAV” shall mean Capacity Auction Value
“PLC” shall mean Peak Load Contribution
“GLD” shall mean Guaranteed Load Drop
“ICAP” shall mean Installed Capacity
“UCAP” shall mean Unforced Capacity
“FPR” shall mean Forecast Pool Requirement
“DR Factor” shall mean Demand Resource Factor
“PJM” shall mean PJM Interconnection, L.L.C.

4. Load Response Quantity – Guaranteed Load Drop (GLD). Upon receipt by the Participant of an Event Notice pursuant to Section 7 hereof, the Participant agrees to reduce its load by its GLD amount as set forth in the Election Notice and to maintain that reduction in load throughout the duration of the Event. The amount of electric power and energy usage reduced by the Participant during an Event shall be the difference, if positive, derived by subtracting its actual electric power and energy usage during the Event from a normalized baseline of the average fifteen minute load of five typical business days prior to such Event.

5. Event Frequency. There will be no more than ten (10) PJM-initiated Events under its Interruptible Load for Reliability (ILR) Program during the Term, with each Event consisting of up to eight hours duration during the weekday hours of 11:00 A.M. to 7:00 P.M. Central Prevailing Time (CPT), excluding applicable PJM holidays. In addition, there will be no more than five (5) RMU-initiated non-ILR Events, during the Term, with each Event consisting of up to eight hours duration during the weekday hours of 11:00 A.M. to 7:00 P.M. CPT. These conditions are consistent with the current provisions of the Interruptible Load for Reliability Program of PJM. Subsequent changes to those provisions will be applicable to participation hereunder.

6. Compensation for Load Response Participation. In consideration for the Participant’s obligation to interrupt its electric service in accordance with the terms and conditions of this Agreement, the Participant shall receive a single annual payment, calculated according to the following formula, using the numbers for each factor in the formula as shown on the Election Form:

Payment = Load Reduction (as defined in Section #4) X Participant’s Capacity Loss Factor equaling ICAP at MW level (not exceeding PLC at the MW level using normal rounding convention). If the PLC is exceeded, then the Participant’s PLC will be used, (using normal rounding convention) X Forecasted Pool Requirement (FPR) X Demand Response Factor (DR Factor) equaling UCAP at MW level (using normal rounding convention) X the Capacity Auction Value equaling the Annual Revenue Rate, less the RMU Administrative Fee and any penalty(s) for failure to comply with any Event(s) during the four-month period ending on September 30th of the Term.

All payments and invoices for balances will be sent to the Participant by December 31st of the Term for all Event(s) during the four-month period ending on September 30th of the Term.

7. Notice. Notice of an Event shall be provided by the municipal electric utility to the Participant no less than 30 minutes or 90 minutes, as indicated in the Election Form, in advance of an Event. Participant will provide to RMU, in writing, the names, Internet accessible paging device addresses, and phone numbers of the individuals to whom RMU shall provide such notification. Oral notification to said individuals at any time of day, any day of the week, shall be sufficient to trigger Participant's obligation to Interrupt its load.

8. Penalty for Participant's Failure To Interrupt. The Participant will be responsible for any penalties or other economic consequences assessed to RMU as a result of penalties associated with PJM-initiated Events under its Interruptible Load for Reliability Program as a result of the Participant's failure to comply with an Event initiated by PJM or RMU.

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date May 1, 2012

Rider 4 – Interconnection and Net Metering Program

RMU shall make available, upon request, interconnection services and net metering services to any customer that meets the applicable requirements set forth in this Rider.

1. Definitions. For purposes of this Rider

“Interconnection services” refers to on-site generating facilities connected to the RMU electric distribution system in a manner that will allow excess electricity generated by the eligible on-site generating facility to be safely delivered onto RMU’s electric distribution system.

“Net metering” refers to service to an electric customer under which electric energy generated by that electric customer from an eligible on-site generating facility owned by that customer and, under some circumstances, delivered to the RMU electric distribution system, may be used to offset electric energy provided by RMU to the electric customer.

“Eligible on-site generating facility” means a renewable generating facility such as a photovoltaic facility or small wind turbines. Other forms of renewable generation, such as sources fueled by landfill methane, fuel cells, or micro turbines by renewable fuels shall be considered on a case by case basis. In all cases, facilities interconnected must be deemed to be renewable in order to be eligible.

2. Interconnection Requirements.

Requirements for interconnecting to the RMU utility system are as follows:

- (a) Only generating facilities that have been approved by the RMU General Manager shall be interconnected with RMU’s electric distribution system.
- (b) Interconnection Services shall be available only to premises with aggregated total generation at a single customer site of less than 1 MW.
- (c) All interconnections shall comply with IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems (IEEE 1547), as amended from time to time.
- (d) RMU shall have obligation to purchase energy supplied to the utility under this Article; provided however, that RMU’s decision not to purchase such energy shall not preclude

the customer from participating in RMU's net metering program and receiving appropriate credits.

- (e) If the customer qualifies for interconnection under this Section but does not qualify for the net metering program then any energy delivered to the RMU system shall be surrendered to RMU without payment or credit. RMU will install a meter that will not provide any credit for energy delivered to the utility system and the customer will pay for any costs associated with the meter change.
- (f) Customers will comply with all other applicable utility standards for interconnection.
- (g) Capacity of 10 kW or less and interconnected to the utility system shall comply with IEEE 1547 section 5.5, periodic interconnection tests. All interconnection related protective functions and associated batteries shall be periodically tested at intervals specified by the manufacturer system integrator, or the authority that has jurisdiction over the distributed resources interconnection, or all tests shall be performed at a minimum of every three (3) years. Periodic test reports shall be maintained and submitted to RMU as set forth in subsection (i).
- (h) Systems greater than 10 kW shall perform all interconnection-related protective functions and associated battery testing on a yearly basis. All test reports shall be submitted to RMU as set forth in subsection (i).
- (i) Reports required under subsections (g) and (h) must be submitted within 30 days of the anniversary date of the energizing of the interconnected generation. If the required reports are not received within the period, the generation must be disconnected until such time as the reports are submitted.

3. Net Metering Requirements.

Requirements for net metering are as follows:

- (a) The electric generating facility must also abide by RMU interconnection requirements.
- (b) Subject to the limitations set forth herein, RMU shall make net metering service available upon request to any RMU electric customer with a qualifying generating facility of 10 kW capacity or less.
- (c) Any generating facility greater than 10 kW but less than 1 MW shall be considered on a case by case basis. The decision with respect to such facilities shall be made by the RMU General Manager.
- (d) Total net metered capacity interconnected under this policy for the RMU system shall not exceed 2% of the system's peak as it existed in the prior calendar year. In the event that the system peak is reduced to the extent that the existing net capacity exceeds the 2% level, existing net metered customers shall be allowed to continue under this Section.

However, no new interconnections will be allowed until such time as the system peak grows to the extent that net metered capacity is again no greater than 2% of the system's peak.

- (e) Energy generated by the customer-owned generator will offset the energy required by the customer's load during the billing period. For any energy generated by the customer in excess of the energy required by the customer's loads for a given billing period a credit shall be carried forward to the customer's next billing period. **In no** case shall credits for excess energy be carried forward for a period greater than three billing periods. In the event of termination of an account qualifying for net metering under this policy, any outstanding credits are surrendered. Under no circumstances will there be payments, or credit transfers for excess energy.

- (f) Any costs RMU incurs associated with the customer's use of the net metering program, including but not limited to changes in metering, other physical facilities or billing-related costs, shall be borne by the customer; provided however that such costs shall be capped at \$1,000 for each qualifying customer interconnecting facilities of 10 kW or less. For those facilities greater than 10 kW that are deemed to qualify, all costs associated with the net metering program shall be borne by the participant.

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Rider 5 – Primary Electric Service Metering Discount

This Primary Electric Service Metering Discount is available to all customers of the municipal electric utility (“RMU”) that are metered at primary voltage and that own and maintain the distribution transformers serving their facilities. The metered demand and energy for eligible customers receiving service on large general service rate schedules will be reduced by 2%.