

ELECTRICITY

Rochelle Municipal
Utilities City of Rochelle
Electric Rates

Effective Date July 1, 2015

Rider 1 — Power Cost Adjustment Clause (PCA)

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 three months exceeds 6.53 cents (\$.0653) per kWh.

The power cost adjustment (PCA) clause will be implemented when the average purchase and generation costs exceed 6.53 cents per kWh.

The PCA will be capped at 2 cents.

For purposes of this calculation, average power costs shall be determined as follows:

Line No.

1. Previous Three Months Purchased Capacity and Energy Costs = A
2. Previous Three Months Transmission Costs = B
3. Previous Three Months Ancillary Services and Congestion Related Charges = C
(Reduced by received proceeds from Energy Credits and Methane Gas Royalty)
4. Previous Three Months Power Supply Agent Costs = D
5. Previous Three Months Delivered Fuel Costs for RMU Generation = E

6. Total Power Costs for Previous Three Months = A+B+C+D+E (Lines 1+2+3+4+5)

7. kWhs Purchased and Generated in Previous Three Months:
8. Purchased from suppliers = kWh
9. Generated from RMU Units = kWh

10. Total kWhs Purchased and Generated in Previous Three Months =
(Sum of Lines 8+9)

11. Mean Unit Power Cost (Line 6/Line10)

12. Apply Loss Factor of 1.06 = (Line 11 x 1.06) (Round to 4 decimal places)

13. Base Power Cost = \$.0653

14. Power Cost Adjustment Factor = (Line 12 - Line 13)

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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.

While Power Factor remains uncorrected the Power Factor Incentive will be added to the rate charge.

The Power Factor incentive will be calculated per below table where the % point is the factor that the demand charge will be increased by:

95 % - 91 % :	3 %
90 % - 86 %:	9 %
85 % - 81 %:	12 %
Below 80%:	25 %

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Rider 3—Demand Response Program

This program ("Program") is available to demand rate customers of rate 150 and higher 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 Demand Response Program 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 Business Management 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

"ALD" shall mean Agreed Load Drop

"PJM" shall mean PJM Interconnection, L.L.C.
"COMED" shall mean Commonwealth Edison

4. Load Response Quantity — Agreed Load Drop (ALD). Upon receipt by the Participant of an Event Notice pursuant to Section 7 hereof, the Participant agrees to reduce its load by its ALD 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 or alike PJM or ComEd initiated 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. Central Prevailing Time (CPT), excluding applicable PJM holidays. In addition, there will be no more than ten (10) RMU-initiated 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. Subsequent changes to those provisions will be applicable to participation hereunder. Specific rates may have differing Event definitions other than above.

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 credit to its account, calculated according to the following formula, using the numbers for each factor in the formula as shown on the Election Form:

Credit = Load Reduction (as defined in Section #4) X Capacity Auction Value at MW level during the four-month period ending on September 30th of the Term.

Credits for balances will be entered into the Participants account 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 2 hours, as indicated in the Election Form, in advance of an Event. Participant will provide to RMU, in writing, the names, mobile phone numbers, Internet accessible paging device addresses, and other business phone numbers of the individuals to whom RMU shall provide such notification. Verbal notification to said individuals at any time of day, any day of the week, shall be sufficient to trigger Participant's engagement to reduce its load.

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Rider 4- Interconnection and Net Metering Program for Renewable Energy

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 energy 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 Business Management 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 350 kW.
- (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 not 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. These requirements are available at RMU Customer Service Centre. An approved (by RMU) one line diagram is a pre-requisite for any net-metering interconnect.
- (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 350 kW shall be considered on a case by case basis. The decision with respect to such facilities shall be made by RMU Business Management.
- (d) Total net metered capacity interconnected under this policy for the RMU system shall not exceed 4 % 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 4 % 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 4 % 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%.

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Rider 6 – Demand Measurement Policy

This rider defines the policy for the manner in which RMU will measure peak demands under the applicable rate schedule, in light of the existence of inaccurate peak data apparently generated by erratic equipment behavior.

Background

This rider applies to RMU customers at rate 165 who operate complex and typically non-linear industrial processes with highly specific demands on energy use. Examples of this is use of Combined Heat and Power (CHP) units. These processes can create intermittent peaks of 15 – 30 minutes due to tripping events that are not part of normal operation. These intermittent peaks can potentially add to the measured demand peak and thereby impact the billed charge for demand. There is no automatic way that RMU's billing system can identify whether the measured peak is a non-operational one or a normal operational peak.

These demand peaks have not been co-incidental with the RMU system's peak. Given the unique operation and the mutual understanding between RMU and Rate 165 customers that these peaks are not adding to the overall RMU grid, an adjusted treatment of these erratic peaks is appropriate.

Policy

RMU will measure non-linear peak demand as the apparent steady state of the daily demand curve and identify the demand ceiling using curve fitting by means of a defined curve fitting method. This curve fitting method of a rolling 25 period (period being 15 minutes) smoothing has been utilized successfully during the summer season of 2013. Intermittent peaks not falling in to peak hour time periods that are short in duration (15-30 minutes) and more than 10 % above the immediate closest intervals measured will be omitted from demand measurements. See appendix A for examples of intermittent trips that are filtered out by using this method.

By doing this the intermittent peaks created by IRE equipment tripping will be isolated and appropriate grace management of those peaks will be applied.

These will then be the monthly peaks used for billing purposes.

The highest of these peaks within the ratchet months of June-July-August-September will be used to define the overall demand ceiling for the rolling yearly demand requirement.

As per the rate 165 definition of demand charge:

The monthly kW demand charge shall be the greater of:

1. A minimum of 5,000 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.

It is also understood that the customer, for whom this applies, will use its best efforts to eliminate the tripping peaks during any operations. In addition limit the use of the equipment that is most likely causing the tripping at events identified by the regional grid (PJM) as potential peak demand days. These events will be limited to 15 days. RMU will communicate these events with no less than 6 hours advance notice.

This policy is in place until further review by RMU.

What follows is a chart designed to graphically display the foregoing.:

Appendix A:

