

RESOLUTION NO:-----
Date Passed: _____, **2016**

UPDATING RIDER 1 - POWER COST ADJUSTMENT CLAUSE (PCA) FOR ELECTRIC

WHEREAS, the City of Rochelle is a body politic and corporate, organized and existing pursuant to the Illinois Municipal Code, 65 ILCS 511-1, 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 and Rate Design Study to be prepared by Utility Financial Solutions, LLC, 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 a modification to Rider 1 - Power Cost Adjustment Clause (PCA) in the electric rates is appropriate and in accordance with the findings contained in the Utility Financial Solutions, LLC, study and the Rochelle Municipal Utilities analysis, City of Rochelle Electric Rider 1 - Power Cost Adjustment Clause (PCA) attached hereto as Exhibit A: 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 Rider 1 - Power Cost Adjustment Clause (PCA) attached hereto as Exhibit A and made a part hereof are hereby approved, effective December 12, 2016.

PASSED AND APPROVED this 12th day of December, 2016.

ATTEST:

City Clerk

Mayor

EXHIBIT A

ELECTRICITY

Rochelle Municipal Utilities
City of Rochelle
Electric Rates

Effective Date December 12, 2016

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

The power cost adjustment 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 Twelve Months Purchased Capacity and Energy Costs | = | A |
| 2. | Previous Twelve Months Transmission Costs | = | B |
| 3. | Previous Twelve Months Ancillary Services and Congestion Related Charges
(Reduced by received proceeds from Energy Credits and Methane Gas Royalty) | = | C |
| 4. | Previous Twelve Months Power Supply Agent Costs | = | D |
| 5. | Previous Twelve Months Delivered Fuel Costs for RMU Generation | = | E |
| 6. | Total Power Costs for Previous Twelve Months: | A+B+C+D+E | (Lines 1+2+3+4+5) |
| 7. | KWhs Purchased and Generated in Previous Twelve Months:: | | |
| 8. | Purchased from suppliers = | | kWh |
| 9. | Generated from RMU Units = | | kWh |
| 10. | Total kWhs Purchased and Generated in Previous Twelve Months = | | |
| | (Sum of Lines 8+9) | | |
| 11. | Mean 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 = | \$.0653 | |
| 14. | Power Cost Adjustment Factor = | (Line 12–Line 13) | |