#### **ORDINANCE 5-2019**

AN ORDINANCE AMENDING SECTION 26-82 OF ARTICLE IV OF CHAPTER 26 OF THE OWENSBORO MUNICIPAL CODE, ENTITLED, "ELECTRIC UTILITY"; AND APPROVING AND ADOPTING RATES FOR ELECTRIC SERVICE FURNISHED BY THE CITY UTILITY COMMISSION OF THE CITY OF OWENSBORO, KENTUCKY.

WHEREAS, the City Utility Commission of the City of Owensboro, Kentucky, by Resolution passed on March 21, 2019, approved, adopted and fixed rates for electric service furnished by the said Utility Commission pursuant to the Statutes of the Commonwealth of Kentucky and the Ordinances of the City of Owensboro, Kentucky, and

WHEREAS, the Mayor and Commissioners of the City of Owensboro, Kentucky, are required by KRS 96.530 and KRS 96.535 to approve rates for electric service fixed by the said Utility Commission, and

WHEREAS, the Mayor and the Commissioners of the City of Owensboro, Kentucky, find the said rates to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, to provide for the operation and maintenance of the electric utility of the City of Owensboro, and an adequate depreciation account therefore, and to furnish a fair and reasonable return to the municipality on the fair value of the used and useful property of the said electric utility.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF OWENSBORO, KENTUCKY, AS FOLLOWS:

**SECTION 1.** That Section 26-82 of Article IV of Chapter 26 of the Owensboro Municipal Code, entitled "Schedule of rates," be amended, effective June 1, 2019, as more particularly set out herein.

#### Sec. 26-82. - Schedule of rates.

The following schedule of rates as fixed by the city utility commission for electric service furnished by the commission to customers as herein described, as reflected by meter readings on or after June 1, [2015] 2019, and billed on or after June 1, [2015] 2019, is hereby approved, fixed and adopted:

## I. RESIDENTIAL SERVICE

# Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

# Application:

To residential customers in single-family dwelling units for domestic purposes when all electric service is supplied through one (1) meter. If a portion of the electric service supplied to a dwelling is used for nonresidential (nondomestic) purposes, the customer can arrange his wiring so that the electric service for residential and nonresidential purposes can be separately metered; and this rate shall apply to the residential portion. Only one (1) dwelling unit shall be supplied through one (1) meter. A residence in which four (4) or more sleeping rooms are rented or are available for rent is considered nondomestic and this rate shall not apply.

# Type of service:

Single-phase, 60 hertz, at one (1) of OMU's standard service voltages; three-phase as available at the discretion of OMU.

#### Monthly rate:

# Customer charge:

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Single-phase, per month .... $[10.00] 12.50 effective June 1, 2019; $15.00 effective June 1, 2020.
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Three-phase, per month .... \$[20.00] 25.00 effective June 1, 2019; \$30.00 effective June 1, 2020.

# Energy charge:

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[0.0674] 0.0714 per kWh for all kWh effective June 1, [2015] 2019; [0.0698] 0.0684 per kWh for all kWh effective June 1, [2016] 2020.
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#### Minimum bill:

The customer charge.

## Energy cost adjustment:

An energy cost adjustment will be calculated each month to account for any increase or decrease in the variable cost incurred by OMU in providing energy to its retail customers.

The energy cost adjustment for the current month (CMA) is calculated as follows:

The estimated cost for the current month of the sum of (1) "energy cost," which consists of: the portion of the cost of (a) fuel, (b) fuel and byproduct handling, (c) production maintenance, and (d) transmission and distribution maintenance (FERC account Nos. 568-574) from Elmer Smith Station (ESS) associated with the portion of the energy generated by ESS that is used to serve OMU retail customers, but excludes environmental costs included in FERC account No. 501 which are recoverable under the environment control cost adjustment; and (2) all costs incurred for [back-up] energy, capacity, and transmission costs to serve OMU retail customers; and (3) any net cost incurred by OMU for its surplus capacity and energy that remains after disposal of all surplus energy; minus the product of the projected total kilowatt hours to be delivered to OMU retail customers during such month multiplied by one and fifty-four hundredths (1.54) cents. As used in this paragraph, "OMU retail customers" means customers whose rates are governed by the rates established under this section.

The resulting CMA shall be added to the accumulated prior month energy cost adjustment (APMECA) balance existing at the end of the prior month calculation. At the end of each six (6) month period, or other period as considered appropriate by the city utility commission, an energy cost adjustment shall be applied to the rate as may be necessary to provide sufficient energy cost recovery, or customer billing credits, for the APMECA balance. All kilowatt hour charges of the rate will be increased or decreased for each one one hundredth (0.01) cent per kWh, or major fraction thereof, as required to provide sufficient energy cost recovery, or customer billing credits.

## Environmental control cost adjustment:

In the event that OMU is required by law or by any regulatory order or standard to incur costs or charges relating to pollution or environmental control or both, it shall recover such costs and charges by increasing monthly charges as follows:

(1) OMU will accumulate monthly all taxes and charges imposed pursuant to such laws and orders and all costs associated with the operation and maintenance of facilities installed to comply with such laws and orders. Adjustments applicable hereunder for any month shall be made on the basis of the average total of such taxes, charges and costs during the first two (2) of the immediately preceding three (3) calendar months. Capital costs other than depreciation shall be included at the rate of one (1) percent per month. Depreciation shall be computed as one-twelfth [(1/2)] (1/12) of the annual accrual based upon the service life expectancy of the control facilities. The total of the amount so determined each month for all such facilities (excluding those installed as of the effective date hereof) shall be the amount to be added to customers' bills for that month.

(2) The total monthly amounts determined above shall be divided by the average of the number of kilowatt hours of energy sold in the first two (2) of the immediately preceding three (3) billing months. The amount so determined shall be applied to the monthly charges for energy used by the customer.

# Tax cost adjustment:

In the event any additional taxes are imposed or required by any governmental body, OMU shall recover such costs by increasing monthly charges as follows:

- (1) OMU will accumulate monthly all taxes and charges imposed pursuant to such laws and orders and all costs associated with the operation of its facilities to comply with such laws and orders. Adjustments applicable hereunder shall be made monthly on the basis of the average total of such taxes, charges and costs during the first two (2) of the immediately preceding three (3) calendar months.
- (2) The total monthly amounts determined above shall be divided by the average of the number of kilowatt hours of energy sold in the first two (2) of the immediately preceding three (3) billing months. The amount so determined shall be applied to the monthly charges for energy used by the customer.

# Payment:

Monthly bills are rendered net, payable within [seven] fourteen [(7)] (14) days. Unpaid bills are delinquent on the [eighth] fifteenth (15th) day after date of issue[-] and [ten (10) percent may be added to all such bills] will be assessed a late fee for each month that it remains unpaid. The amount of the late fee shall be established by the city utility commission from time to time, but it shall not exceed eight percent (8%) of the delinquent amount of the payment and shall be added to the customer's account balance.

If a customer has been overcharged for electric service because of a malfunction in the metering system or a billing error, overcharges will be refunded to the customer for the entire period of inaccurate billing, if that period is discernible by OMU. If the period of inaccurate billing is not discernible, overcharges will be calculated based on a time period that is the shortest of: 1) the time elapsed since the customer's service began, 2) the time elapsed since the date of installation of the faulty meter or the implementation of the error resulting in the overcharge (if applicable), or 3) a period of thirty-six (36) months.

If a customer has been undercharged for electric service because of a malfunction in the metering system or a billing error, undercharges will be billed to the customer, and the customer shall pay the charges for the entire period of inaccurate billing, if that period is discernible by OMU. If the period of inaccurate billing is not discernible, undercharges will be calculated based on a time period that is the shortest of: 1) the time elapsed since the customer's service began, 2) the time elapsed since the date of installation of the faulty meter or implementation of the error resulting in the undercharge (if applicable), or 3) a period of thirty-six (36) months. A customer shall have the option to pay the amount

<u>undercharged in equal payments spread over the same number of months as the</u> undercharges were accumulated.

This provision does not limit OMU's right to bill for or recover undercharges for any period of time where they result from the altering, tampering with, or bypassing the meter or other utility equipment by a customer, or anyone acting for the customer, in any manner that prevents or reduces the recording of the measurement of the electricity provided to the customer.

#### II. COMMERCIAL SERVICE

# Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

# Application:

To any nondomestic customer for all electric power and energy requirements whose <u>annual average</u> [maximum] monthly usage is less than <u>or equal to</u> eight thousand (8,000) kWh. Each premises will be supplied only at one (1) point of delivery, and all electric service supplied will be measured through one (1) meter.

# Type of service:

Single-<u>phase</u> or three-phase, sixty (60) hertz, at one (1) of OMU's standard service voltages.

## Monthly rate:

# Customer charge:

Single-phase, per month ... \$[10.00] 12.50 effective June 1, 2019; \$15.00 effective June 1, 2020.

Three-phase, per month .... \$[20.00] 25.00 effective June 1, 2019;

\$30.00 effective June 1, 2020.

## Energy charge:

\$[0.0674] 0.0714 per kWh for all kWh effective June 1, [2015] 2019; \$[0.0698] 0.0684 per kWh for all kWh effective June 1, [2016] 2020.

#### Minimum bill:

The customer charge.

## Energy cost adjustment:

Same as residential service.

# Environmental control cost adjustment:

Same as residential service.

## Tax cost adjustment:

Same as residential service.

# Payment:

[Monthly bills are rendered net payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills] Same as residential service.

## III. GENERAL SERVICE, SECONDARY

## Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

# Application:

To any nondomestic customer for all electric power and energy requirements whose annual average monthly usage is greater than eight thousand (8,000) kWh. Each premises will be supplied only at one (1) point of delivery, and all electric service supplied will be measured through one (1) meter.

# Type of service:

Single-<u>phase</u> or three-phase, sixty (60) hertz, at one (1) of OMU's standard service voltages.

#### Monthly rate:

# Customer charge:

\$[20.00] 30.00 per month effective June 1, 2019; \$40.00 per month effective June 1, 2020.

## Demand charge:

GSS A - High load factor customers (average annual load factor ≥ 40%)

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[$8.82 per kW for all kW of billing demand, effective June 1, 2015;] $9.13 per kW for all kW of Billing Demand, effective June 1, [2016] 2019.
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GSS B - Low load factor customers (average annual load factor < 40%)

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[$3.90 per kW for all kW of billing demand, effective June 1, 2015;] $4.04 per kW for all kW of Billing Demand, effective June 1, [2016] 2019.
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## Energy charge:

GSS A - High load factor customers

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$[0.0327] 0.0353 per kWh for all kWh effective June 1, [2015] 2019; $[0.0338] 0.0350 per kWh for all kWh effective June 1, [2016] 2020.
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GSS B - Low load factor customers

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$[0.0502] 0.0543 per kWh for all kWh effective June 1, [2015] 2019; $[0.0520] 0.0538 per kWh for all kWh effective June 1, [2016] 2020.
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#### Minimum bill:

The customer charge plus the demand charge.

#### Billing demand:

The maximum fifteen (15) minute kW demand measured during the billing month, but not less than seventy (70) percent of the highest demand established in the preceding eleven (11) months.

#### Power factor:

The customer shall at all times maintain a power factor of not less than ninety-five (95) percent lagging. If the customer's power factor is less than ninety-five (95) percent lagging and the customer does not expeditiously take corrective action, OMU [can] may, at its option, discontinue service or [can] may install necessary corrective equipment on its lines to improve the customer's power factor to at least ninety-five (95) percent and charge the customer for the total installed cost of same (including material, labor and overhead costs) or [can] may make an equal charge as a contribution towards the cost of corrective facilities to be installed elsewhere in the OMU system.

## Energy cost adjustment:

Same as residential service.

Environmental control cost adjustment:

Same as residential service.

Tax cost adjustment:

Same as residential service.

# Payment:

[Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills Same as residential service.

# IV. GENERAL SERVICE, PRIMARY

# Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

## Application:

To any customer for all power and energy uses at any premises where service is taken through one (1) meter at one (1) point of delivery. Customers on the GSP rate schedule shall either:

- (1) Both own and maintain the primary service facilities and transformer(s) beginning at the customer-installed fused disconnect point one [(1)] wire span beyond OMU's primary meter, through which OMU electric service is provided, or
- (2) Pay a facilities charge for OMU to own and maintain the primary service facilities and transformer(s) through which OMU electric service is provided.

[Customers qualifying for this rate schedule shall be required to have an average annual billing demand as defined in this rate schedule, greater than one thousand (1,000) kW. New customers requiring service at primary service voltage may be eligible for this rate schedule based upon application to OMU even if average annual billing demand is less than one thousand (1,000) kW.] A customer who owns or leases installed transformer capacity of 1,000 kVA or more qualifies for service under this rate schedule. Any customer who was receiving service under the General Service Primary rate prior to January 1, 2019, but did not meet the installed capacity requirement, may continue to receive service under this rate schedule for service at that location, as long as there is no change in the installed transformer capacity or ancillary equipment, or a disconnection or transfer of the service at that location. If there is a change in the installed transformer capacity or ancillary equipment, or any disconnection or transfer of service, at the location, service thereafter will be provided under the then applicable rate schedule.

# Type of service:

Three-phase, sixty (60) hertz, at a standard primary service voltage of four thousand (4,000) volts or higher as approved by OMU.

# Monthly rate:

## Customer charge:

\$[30.00] 60.00 per month, effective June 1, 2019.

# Demand charge:

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[$5.50 per kW for all kW of billing demand, effective June 1, 2015;] $5.69 per kW for all kW of Billing Demand, effective June 1, [2016] 2019.
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## Energy charge:

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[$0.0305 per kWh for all kWh, effective June 1, 2015;] $[0.0316] 0.0324 per kWh for all kWh effective June 1, [2016] 2019.
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## Facilities charge:

[The facilities charge shall include non-salvable costs of labor, vehicles, and miscellaneous materials associated with the installation of OMU equipment, based on actual installed cost, and are invoiced within thirty (30) days of project completion.]

Facilities charge agreements or leases will not be offered after June 1, 2019.

[The facilities charge shall also include salvable cost recovery fees of two and seventy eight one hundredths (2.78) percent per month for thirty-six (36) months for the cost of the transformer including all applicable sales taxes, plus fifteen (15) percent. OMU will make any repairs necessary to the installation at its non-salvable costs, and bill to the customer upon completion. At the end of the thirty-six (36) month period, the salvable fee shall be reduced to one (1) percent of OMU total salvable costs and shall continue as long as the customer continues receiving service from OMU through the facilities. OMU continues to own the equipment and will repair said equipment as needed at non-salvable costs that are billable to the customer upon completion.]

The facilities charge agreements or leases existing as of June 1, 2019 will remain effective only as long as the facilities remain in service.

#### Minimum bill:

The customer charge plus the applicable demand and facilities charges.

## Billing demand:

The maximum fifteen (15) minute kW demand measured during the billing month, but not less than seventy (70) percent of the highest demand established in the preceding eleven (11) months.

#### Power factor:

In any month in which the average power factor at the delivery point is less than ninety-five (95) percent, the maximum metered demand for billing purposes shall be corrected in accordance with the following formula:

Maximum Metered Demand (kW) x 95%/ Power Factor (%) = Billing Demand (kW)

OMU shall measure both leading and lagging power factor, treating both as non-unity power factors, and the customer will be billed accordingly. The power factor shall be measured at the time of maximum load.

# Energy cost adjustment:

Same as residential service.

Environmental control cost adjustment:

Same as residential service.

Tax cost adjustment:

Same as residential service.

## Payment:

[Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills] Same as residential service.

#### V. OMU WATER SYSTEM

#### Availability:

Electric service is available under this schedule only to the OMU water system.

## Application:

To the water system of OMU.

## Type of service:

Single-<u>phase</u> or three-phase, sixty (60) hertz, at one (1) of OMU's standard service voltages.

## Energy charge:

\$[0.0550] 0.0675 per kWh for all kWh effective June 1, [2015] 2019. [\$0.0569 per kWh for all kWh, effective June 1, 2016.]

## Energy cost adjustment:

Same as residential service.

## Environmental control cost adjustment:

Same as residential service.

## Tax cost adjustment:

Same as residential service.

# Payment:

Bills are due and payable when rendered.

#### VI. TEMPORARY SERVICE RIDER

# Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for electric service. OMU will furnish temporary service provided it has sufficient capacity and facilities available at the proposed location.

#### Application:

To <u>residential service</u>, commercial service, and general service secondary, schedules for service to carnivals, fairs, circuses, construction projects and other <u>similar</u> temporary or transient business.

All provisions of the applicable schedule remain effective subject only to the modifications and additional provisions prescribed by this rider.

## Monthly rate:

The applicable <u>residential service</u>, commercial service or general service[,] secondary schedule, except minimum, shall be not less than the monthly customer charge.

Energy cost adjustment:

Same as residential service.

Environmental control cost adjustment:

Same as residential service.

Tax cost adjustment:

Same as residential service.

# Payment:

[Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills [Same as residential service.]

Connecting and disconnecting service:

The customer shall pay the cost of connecting and disconnecting the temporary service or the applicable temporary service fee, whichever is the greater.

The temporary service includes:

- (1) Any required distribution line extension, service facilities and meter installation, and
- (2) Necessary transformation, switching and metering equipment.

The cost of connecting and disconnecting the temporary service will include:

- (1) The labor, non-salvable material cost, and expense of installation and estimated labor and expense of removing all equipment;
- (2) A depreciation charge of twenty-five (25) percent of the value of all salvable material and equipment inclusive of transformation and metering equipment; and
- (3) An overhead charge of twenty-five (25) percent for general office expense.]

Provision of temporary service may include (1) any required distribution line extension, service facilities and meter installation, and (2) necessary transformation, switching and metering equipment.

In addition to a connection fee, the applicant for temporary service, other than single-phase residential, shall pay the following: (1) the labor, non-salvable material cost, and expense of installation and estimated labor and expense of removing all equipment; (2) a depreciation charge of twenty-five percent (25%) of the value of all salvable material and equipment inclusive of transformation and metering equipment; and (3) an overhead charge of twenty-five percent (25%) for general office expense.

Temporary installations shall meet the same electrical and inspection requirements as permanent installation. OMU shall only connect temporary service after receiving an electrical inspection from the proper authority having jurisdiction.

## **VII. SUPPLEMENTAL OR STANDBY SERVICE**

#### Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

## Application:

To existing industrial facilities supplied with electric energy from generating facilities other than those owned by OMU in need of reserve, breakdown, supplemental or standby service. A customer must take power from OMU through one (1) meter at one (1) point of delivery. "Existing facilities" include those facilities that were constructed and operating prior to the date of adoption of this rate.

Where a self-generator supplies all or part of its own load (excluding customer's emergency backup generation) and desires that OMU provide supplemental or standby service for that load, the self-generator must contract for such service under the supplemental or standby service rider ("SSSR Rider"). Except as provided in this SSSR Rider, OMU has no obligation to supply non-firm service to a self-generator. This requirement applies only to SSSR and does not apply to net metering service (Rider NMS).

Under the SSSR, OMU shall have no obligation to install any new or modified equipment or facilities to provide supplemental or standby service.

To qualify for this SSSR a customer must meet the following criteria:

- 1. Prior to installation of its own electrical generation equipment, customer must have been a GSP or GSS customer of OMU.
- 2. Any protective equipment necessary for the provision of supplemental or standby service down-stream of the meter point, as determined by OMU in its sole discretion, will be the responsibility of customer. OMU will provide supplemental or standby service only after OMU determines that any required protective equipment has been installed and deemed to be adequate.

#### Monthly rate:

Customer charge:

\$50.00 per month.

Demand charges:

30% of current GSP demand charge.

Energy charge:

120% of the current GSP energy rate charge per kWh for all kWh.

Energy cost adjustment:

Same as residential service.

Environmental control cost adjustment:

Same as residential service.

Tax cost adjustment:

Same as residential service.

#### Payment:

Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills.

Minimum bill:

The customer charge plus the demand charge.

#### Contract demand:

Contract demand is defined as the number of kW (as is appropriate for the demand basis of the standard rate on which customer is billed) mutually agreed upon as representing customer's maximum service requirements and contracted for by customer; provided, however, if such number of kW (as is appropriate for the demand basis of the standard rate on which customer is billed) is exceeded by a recorded demand, such recorded demand shall become the new contract demand commencing with the month in which recorded and continuing for the remaining term of the contract or until superseded by a higher recorded demand.

#### Power factor.

In any month in which the average power factor at the delivery point is less than ninety-five (95) percent, the maximum metered demand for billing purposes shall be corrected in accordance with the following formula:

(Maximum Metered Demand (kW) x 95%/Power Factor (%) = Billing Demand (kW)

OMU shall measure both leading and lagging power factor, treating both as non-unity power factors, and the customer will be billed accordingly. The power factor shall be measured at the time of maximum load.

# Special terms and conditions:

- 1) In order to protect its equipment from damage, OMU may require customer to install, at customer's own expense, an approved shunt trip type breaker and an approved automatic disconnect. Such circuit breakers shall be under the sole control of OMU and will be set by OMU to break the connection with its service in the event customer's demand materially exceeds that for which the customer contracted, as provided in any interconnection policy of OMU.
- 2) In the event customer's use of SSSR service becomes intermittent or exhibits abnormal fluctuations, OMU may require customer to install and maintain, at

- customer's own expense, equipment deemed suitable by OMU to satisfactorily limit such intermittence or fluctuations.
- 3) Customer's generating equipment shall not be operated in parallel with OMU's service until the manner of such operation has been approved by OMU and is deemed to be in compliance with OMU's operating standards for system reliability and safety.
- 4) In the event customer's use of energy under this SSSR occurs on more than forty-five (45) days in any twelve (12) month period or occurs and continues for more than fifteen (15) consecutive days in any twelve (12) month period, the customer shall be billed the full demand charge specified for the applicable GSP rate.

#### Term of contract:

The minimum contract period shall be two (2) years, but OMU may require a longer initial term when deemed necessary by OMU due to the size of load or special conditions.

#### Terms and conditions:

SSSR Service will be furnished under OMU's terms and conditions except as otherwise provided herein.

## [VIII] VII. GREEN ENERGY RIDER

## Application:

In all territory served.

## Availability of Service:

Service under this rider is available to customers receiving service under OMU's standard residential service, commercial service, general service secondary, or general service primary rate schedules as an option to participate in OMU's "green energy program." OMU will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase renewable energy certificates.

#### Definitions:

- a) Green power is that electricity generated from renewable sources, including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e certified.
- b) A renewable energy certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One (1) REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

## Monthly Rate:

Voluntary monthly contributions of any amount in ten dollar (\$10.00) increments.

## Terms and Conditions:

- a) Customers may contribute monthly as much as they like in ten dollar (\$10.00) increments (e.g., ten dollars (\$10.00), twenty dollars (\$20.00), thirty dollars (\$30.00), or more per month). A customer may participate in OMU's "green energy program" by enrolling in the program and may withdraw from the program at any time. Funds provided by customer to OMU under the program are not refundable.
- b) To be eligible a customer must be current on all charges for OMU services prior to entering the "green energy program." Any customer failing to pay the amount the customer pledged to contribute may be removed from the "green\_energy program." Any customer removed from or who withdraws from the "green energy program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed monthly for the amount customer has pledged to contribute to the "green energy program" as a part of customer's billing under any applicable rate schedule, including any applicable riders and adjustments.

[IX] VIII. ECONOMIC DEVELOPMENT RIDER ("EDR")

# Application:

An area to be known as the Owensboro downtown development district which is bounded on the north by the Ohio River, on the east by Crittenden Street, on the south by Fifth Street, and on the west by Poplar Street, or any eligible Brownfield development site within the OMU service area.

## Availability of Service:

Available as a rider to any customer that meets the conditions specified herein that is receiving or will be receiving electric service under OMU's GSS rate or GSP rate in order to encourage Brownfield development or economic development (as defined herein).

## Monthly Rate:

A customer taking service under the EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

a) for the twelve (12) consecutive monthly billings of the first EDR contract year, the total demand charge shall be reduced by twenty-five (25) percent;

- b) for the twelve (12) consecutive monthly billings of the second contract year, the total demand charge shall be reduced by twenty (20) percent;
- c) for the twelve (12) consecutive monthly billings of the third contract year, the total demand charge shall be reduced by fifteen (15) percent;
- d) for the twelve (12) consecutive monthly billings of the fourth contract year, the total demand charge shall be reduced by ten (10) percent;
- e) for the twelve (12) consecutive monthly billings of the fifth contract year, the total demand charge shall be reduced by five (5) percent; and
- f) all subsequent billing shall be at the full charges stated in the applicable rate schedule.

"Total demand charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

#### Terms and Conditions:

## **Brownfield Development**

- a) Service under the EDR for Brownfield development is available to new customers or existing customers expanding on sites that have been approved by and added to the Brownfield inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky);
- b) EDR for Brownfield development is available only to new or expanded billing loads of two hundred fifty (250) kW or greater where the customer takes service from existing OMU facilities;

## Economic Development

- c) Service under the EDR for Economic Development is available to: 1) New customers contracting for a minimum annual average of monthly energy consumption of eight thousand (8,000) kWh and 2) Existing customers contracting for a minimum annual average monthly consumption of eight thousand (8,000) kWh above their existing base load, to be determined as follows:
  - i. OMU and the existing customer will determine customer's existing base load by averaging customer's previous three (3) years' monthly billing loads or, if less than three (3) years of load data is available, all available data, subject to any mutually agreed upon adjustments thereto.
  - ii. OMU and the existing customer must agree upon the existing base load, which shall be an explicit term of the special contract submitted to the

city utility commission for approval before the customer can take service under EDR. Once the existing base load's value is thus established, it will not be subject to variation and the customer's incremental demand must be maintained for the customer to remain eligible for service under EDR.

- iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's existing base load. Such EDR service would continue under the terms of the contract already existing between OMU and the customer concerning the affected portion of the customer's existing base load;
- d) A customer desiring service under the EDR for economic development must submit an application for service that includes: 1) a description of the new load to be served; 2) the number of new employees, if any, customer anticipates employing associated with the new load; and 3) the capital investment customer anticipates making associated with the EDR load;
- e) OMU may offer EDR to qualifying new load only when OMU has generating capacity available and the new load will not accelerate OMU's plans for additional generating capacity over the life of the EDR contract;
- f) Customer may request an EDR effective initial billing date that is no later than two (2) months after the date on which OMU initiates service to customer.

#### Limitation of Service:

OMU reserves the right to limit the availability of, and applications for, this EDR when the total projected cost for EDR equals or exceeds the maximum amount allocated for the EDR by the city utility commission in its current fiscal year budget or in its five (5) year forecast.

#### Term of Contract.

Service will be furnished under the applicable rate schedule and this EDR, for a fixed term of not more than five (5) years.

## Provisions for Early Termination:

If OMU terminates service under this EDR for the customer's failure to comply with its provisions or if the customer's service under this EDR is terminated for any reason before completion of the term of service specified in the service agreement, the customer will be required to reimburse OMU for any discounts received under this rider, plus interest, and such amounts may be recovered in the same manner as other charges for OMU services.

# [X.] IX. NET ENERGY METERING FOR RENEWABLE GENERATION

#### Definitions:

Electric "distributed generation system" or "DG System" shall mean distributed renewable generation facilities and associated equipment for non-utility generation or cogeneration for interconnection to, and parallel operation with, the Owensboro Municipal Utilities (OMU) electric system.

"Net metering" means the difference between the amount of electricity sold by OMU to the customer and the amount of energy produced by the renewable generation system of the customer and supplied to the OMU electric system through the interconnection, over a specified billing period.

For the purposes of this net energy metering policy for renewable generation, "renewable generation" is the generation of electricity that is produced from either wind, water, or solar generation technologies, or a hybrid system.

#### Availability:

This policy applies in any area served by the Owensboro Municipal Utilities (OMU) electric system where the OMU electric system is capable of accommodating interconnection with a customer's [renewable generation] <u>DG</u> [s]System in accordance with OMU policy and the applicable terms and conditions for electric service.

## Requirements:

- 1. To residential service, commercial service, general service secondary, or general service primary customers;
- The [distributed electric generating facility] <u>DG System</u> must be owned and operated by the customer and located on the customer's premises for the sole purpose of supplying all or some of the customer's electrical needs;
- 3. The [distributed electric generating facility must have a capacity of no more than one hundred] generation supplied to the OMU System by the DG System shall not exceed [{] 100 [}] kW.
- 4. The [distributed electric generating facility] <u>DG System</u> must be designed and installed to operate in parallel with the OMU electrical distribution system without adversely affecting the quality of service to other customers and without presenting a safety risk to OMU customers or employees. [Required voltage and current quality and characteristics are specified in the OMU distribution interconnection policy and OMU's regulations and rates for electric service] The power quality characteristics are specified in the DG System Policy and OMU's Rules and Regulations for Electric Service:
- 5. The [distributed electric generating facility] DG System must have been approved by OMU and customer must have accepted and agreed to the terms and conditions of the [OMU distribution interconnection] DG System [p]Policy;
- 6. The power generated from the [distributed electric generation facility] <u>DG System</u> must come from a renewable energy source.

[The service will be metered by OMU in one (1) of two (2) ways, at OMU's option.

Option A: Net metering will be achieved by the use of two (2) meters: 1) a power used (revenue) meter and 2) a power generated meter. The proposed distributed generation system must include an OMU approved meter base for the placement of an OMU meter to record the power generated by customer. The power generated meter base shall be in a direct series path with the DG System disconnect switch and be in close proximity and on the same exterior wall as the existing OMU meter.

Option B: Alternatively, net metering will be done by use of a standard kilowatt hour metering system capable of measuring the flow of electricity in both directions. Customer will not be charged for OMU metering costs, except those billed to all customers served from the otherwise applicable rate schedule.]

Net metering will be measured by a standard kilowatt-hour metering system capable of measuring the flow of electricity in both directions. Customer will not be charged for OMU metering costs, except those billed to all customers served from the otherwise applicable rate schedule.

OMU may place reasonable limits on the total amount of distributed renewable generation interconnected to the OMU system. Net metering service will be available to customers on a first-come, first-served basis up to a cumulative capacity of one (1) percent of the OMU system's all-time single hour peak load. Interested customers must make formal application, pursuant to the [OMU distribution interconnection] DG System [p]Policy [which is available on OMU's website at www.omu.org]. OMU['s engineering department] will review the application and will approve or deny it based upon the [availability, requirements and restrictions described above, and the] results of [a] the system impact study and an assessment of any safety risks. OMU may require the modification of a system proposed by the customer and [any required] may require service or system upgrades in accordance with the [OMU distribution interconnection] DG System [p]Policy. All costs associated with the required upgrades will be the sole responsibility of the customer. The customer-owned renewable generation interconnection may not be placed in service until this process is completed and OMU's approval has been obtained.

[Except as provided herein, s]Service under this [policy] schedule is subject to the National Electric Code, applicable National Electric Safety Code Standards, the provisions of this section, [any applicable ordinances,] and OMU [r]Rules and [r]Regulations for Electric Service.

# Type of service:

Consistent with otherwise applicable service schedule.

# Monthly rate:

Customer charge:

Consistent with otherwise applicable service schedule.

Demand charge:

Consistent with otherwise applicable service schedule.

Energy charge:

The applicable energy charge from the service schedule for which customer would otherwise qualify for the amount of the positive difference between the energy delivered by OMU to the customer and the amount of the energy generated by the customer and supplied to OMU through the interconnection. If the amount of energy supplied by the customer exceeds the amount delivered by OMU to the customer, the customer will receive a credit for [that] the amount of the excess energy, based [on the per kWh cost OMU incurs for energy that is reported in FERC account 501] upon the avoided cost rate, against any energy charges the customer incurs for electricity in the next billing period or periods. If the customer's electric service is discontinued or transferred for any reason, any remaining credits of customer, after any available credits are applied to customer's final billing, shall not be transferable or redeemable by customer and shall be forfeited.

## Avoided cost rate:

The avoided cost rate for energy received by OMU in any month will be calculated as a weighted average of the variable costs to OMU of all dispatchable, load-following resources serving OMU load during the first two (2) of the immediately preceding three (3) calendar months. Variable costs to OMU of all must-take resources serving OMU load during the first two (2) of the immediately preceding three (3) calendar months will be excluded from the avoided cost rate. Variable costs included in the avoided cost rate include the following components:

- For OMU-owned dispatchable, load-following generation resources, the variable portions of FERC accounts 501, 518, and 547;
- For dispatchable, load-following backup power supply resources, the variable portions of FERC account 555;
- For dispatchable, load-following power purchase agreement (PPA) resources in which OMU is a party; the variable portions of FERC account 555.

The total of these costs during the first two (2) of the immediately preceding three (3) calendar months will be divided by the number of kilowatt hours of the total load on OMU's system during the first two (2) of the immediately preceding three (3) calendar months. The amount so determined shall be the avoided cost rate.

# Facilities charge:

Consistent with otherwise applicable service schedule.

## Minimum bill:

Consistent with otherwise applicable service schedule.

#### Power factor:

Consistent with otherwise applicable service schedule.

# Energy cost adjustment:

Consistent with otherwise applicable service schedule.

# Environmental control cost adjustment:

Consistent with otherwise applicable service schedule.

## Tax cost adjustment:

Consistent with otherwise applicable service schedule.

## Payment:

[Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills] Same as residential service.

# X. COGENERATION METERING SERVICE

# Application:

Electric Cogeneration Metering Service applies to any non-residential electric service customer whose electric capacity requirements are 1,000 kW or more and whose electric cogeneration equipment operates at 60 Hertz.

#### Availability:

Cogeneration metering service is available in any area served by the OMU electric system where the OMU system can reasonably accommodate an interconnection with a customer's cogeneration system and where the customer's system complies with the DG System Policy and OMU Rules and Regulations for Electric Service.

## Requirements:

- 1. <u>Customer must enter into a Power and Energy Service Contract (PESC) that includes Supplemental or Standby Service;</u>
- 2. The customer's cogeneration system must be owned and operated by the customer and located on the customer's premises only for the purpose of supplying the customer's electric service needs;
- 3. The customer's cogeneration system must be designed and installed to permit it to operate in parallel with the OMU electrical distribution system without

adversely affecting the quality of service to other customers or the safety of OMU customers or employees.

- 4. The interconnection must meet the power quality characteristics specified in the DG System Policy and OMU's Rules and Regulations for Electric Service;
- 5. The customer's cogeneration system must have been approved by OMU and the customer must have agreed to the terms and conditions of the DG System Policy;

The service will be metered by OMU as follows:

Net metering will utilize a standard kilowatt-hour metering system capable of measuring the flow of electricity in both directions. The customer will be responsible for the costs of the appropriate meter and meter installation. OMU will install and maintain the meter.

OMU may place reasonable limits on the total amount of cogeneration interconnected to the OMU system. The customer must submit an application, pursuant to the DG System Policy. OMU will review the application and approve or deny it based upon the results of the system impact study and an assessment of any potential risks to safety. OMU may require the modification of a system proposed by the customer and may require service or system upgrades in accordance with the DG System Policy. All costs associated with the required upgrades will be the sole responsibility of the customer. The customer-owned cogeneration interconnection may not be placed in service until this process is completed and OMU's approval has been obtained.

Service under this schedule is subject to the National Electric Code, applicable National Electric Safety Code Standards, the provisions of this section, and OMU Rules and Regulations for Electric Service.

#### Type of service:

Consistent with the customer's applicable service schedule.

#### Monthly rate:

## Customer charge:

Consistent with the customer's applicable service schedule.

# Demand charge:

Consistent with the customer's applicable service schedule.

#### Contract demand charge:

Consistent with the customer's applicable service schedule.

#### Energy charge:

The energy charge from the service schedule applicable to the customer for the amount of the positive difference between the energy delivered by OMU to the customer

and the amount of energy generated by the customer and supplied to OMU through the interconnection. If the amount of energy supplied by the customer exceeds the amount delivered by OMU to the customer, the customer will receive a credit for that amount of energy, based upon the avoided cost rate, against any energy charges the customer incurs for electricity in the next billing period or periods. If the customer's electric service is discontinued or transferred for any reason, any remaining credits of the customer, after any available credits are applied to customer's final billing, shall not be transferable or redeemable by the customer and shall be forfeited.

#### Avoided cost rate:

The avoided cost rate for energy received by OMU in any month will be calculated as a weighted average of the variable costs to OMU of all dispatchable, load-following resources serving OMU load during the first two (2) of the immediately preceding three (3) calendar months. Variable costs to OMU of all must-take resources serving OMU load during the first two (2) of the immediately preceding three (3) calendar months will be excluded from the avoided cost rate. Variable costs included in the avoided cost rate include the following components:

- <u>For OMU-owned dispatchable, load-following generation resources, the variable portions of FERC accounts 501, 518, and 547;</u>
- <u>For dispatchable, load-following backup power supply resources, the variable portions of FERC account 555;</u>
- For dispatchable, load-following power purchase agreement (PPA) resources in which OMU is a party, the variable portions of FERC account 555.

<u>Eighty-five percent (85%) of the avoided cost during the first two (2) of the immediately preceding three (3) calendar months will be divided by the number of kilowatt hours of the total load on OMU's system during the first two (2) of the immediately preceding three (3) calendar months. The amount so determined shall be the avoided cost rate.</u>

#### Minimum bill:

Consistent with the customer's applicable service schedule.

#### Power factor:

Consistent with the customer's applicable service schedule.

## Energy cost adjustment:

Consistent with the customer's applicable service schedule.

# Environmental control cost adjustment:

Consistent with the customer's applicable service schedule.

#### Tax cost adjustment:

Consistent with the customer's applicable service schedule.

#### Payment:

Same as residential service.

#### XI. SUPPLEMENTAL OR STANDBY SERVICE

#### Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with OMU's terms and conditions for providing electric service.

## Application:

To General Services Primary (GSP) customers supplied with electric energy from the customer's generation facilities when in need of supplemental or standby service. A customer must take its power from OMU through one (1) meter at one (1) point of delivery.

Where customer-owned generation supplies all or part of the customer's load (excluding customer's emergency backup generation) and customer desires that OMU provide supplemental or standby service for that load, the customer must contract for such service under the Supplemental or Standby Service Schedule (SSSS). The customer must enter into a Power and Energy Service Contract (PESC) to be eligible for this rate. The contract demand established under the PESC will set the baseline to determine the customer's utilization of the SSSS. Once the amount established in the PESC is exceeded during any given hour, the customer will be considered on the SSSS for that day. Except as provided in the SSSS, OMU has no obligation to supply non-firm service to a customer with customer-owned generation.

OMU shall have no obligation to install any new or modified equipment or facilities to provide Supplemental or Standby Service. The customer shall give OMU reasonable prior notice of any planned outage of the customer's generation.

# To qualify for the SSSS a customer must meet the following criteria:

- 1. The customer must be receiving GSP service prior to interconnection of the customer-owned generation equipment.
- 2. The customer must pay for a System Impact Study performed by OMU. The study results may require system modifications, the costs of which shall be borne by the customer.
- 3. If the study shows that OMU needs to install additional capacity to support the request for Supplemental or Standby Service, the customer will be required to pay any upgrade costs.
- 4. The study's evaluation will be based upon the customer's maximum service demand with no customer-owned generation available.

- 5. Any protective equipment necessary for the provision of Supplemental or Standby Service down-stream of the meter point, as determined by OMU in its sole discretion, will be the responsibility of the customer. OMU will provide Supplemental or Standby Service only after OMU determines that any required protective equipment has been installed by the customer and deemed to be adequate by OMU.
- OMU will install real time metering to determine the expected demand on the OMU system. The customer will be responsible for the costs of the meter and meter installation.

#### Monthly Rate:

The current GSP customer charge, or \$0.25 per kW of SSSS Demand Capacity, whichever is greater.

## SSSS Demand Capacity:

SSSS Demand Capacity is the customer's maximum service requirement reduced by the customer's GSP contract demand and customer-owned generation. The customer's SSSS demand may only be utilized for forty-five (45) days in a calendar year.

## Demand charges:

<u>Demand usage equal to or below the customer's contract demand shall be billed at current GSP demand charge.</u>

Demand usage above the customer's contract demand shall be billed at one hundred-forty percent (140%) of current GSP demand charge.

# Energy charge:

Current GSP Energy Rate Charge per kWh for all kWh.

## Energy Cost Adjustment:

Same as residential service.

#### Environmental Control Cost Adjustment:

Same as residential service.

#### Tax Cost Adjustment:

Same as residential service.

#### Payment:

Same as residential service.

#### Minimum bill:

The contract demand charge.

#### Power factor:

Same as GSP Service.

# Special Terms and Conditions:

- 1) In order to protect its equipment from damage, OMU may require the customer to install, at the customer's own expense, an approved shunt trip type breaker and an approved automatic disconnect. Such circuit breakers shall be under the sole control of OMU and will be set by OMU to break the connection with its service in the event the customer's demand materially exceeds that for which the customer contracted, as provided in any interconnection policy of OMU.
- 2) In the event the customer's use of SSS service becomes intermittent or exhibits abnormal fluctuations, OMU may require the customer to install and maintain, at the customer's own expense, equipment deemed suitable by OMU to satisfactorily limit such intermittence or fluctuations.
- 3) The customer's generating equipment shall not be operated in parallel with OMU's service until the manner of such operation has been approved by OMU and is deemed to be in compliance with OMU's operating standards for system reliability and safety.
- 4) In the event the customer's use of energy under the SSSS occurs on more than forty-five (45) days in a calendar year, the customer's rate for Supplemental or Standby Service will revert to the GSP rate and the SSSS will be suspended for eleven (11) months. Any use by the customer of Supplemental or Standby Service from OMU within a 24-hour day constitutes one (1) day of service under the SSSS.

## Term of Contract:

A PESC with a minimum term of two (2) years is required.

#### Terms and Conditions:

SSSS service is subject to the National Electric Code, applicable National Electric Safety Code Standards, the provisions of this section, and OMU Rules and Regulations for Electric Service.

# [XI] XII. SECURITY LIGHT LEASES

## Application:

In all territory served.

#### Availability of service:

A customer may lease a security light from OMU on the following terms and conditions:

- 1. Customer will pay the installation fee established by the city utility commission.
- 2. If pole installation is necessary, OMU will install any poles required, and the customer shall pay OMU any costs incurred by OMU for such installation. Any installation costs shall be paid before service to the light begins and will be non-refundable and any poles will remain the property of OMU.
- 3. OMU shall own and perform routine maintenance on the security light at OMU's cost. Customer shall reimburse OMU for all non-routine maintenance, including damage, breakage or vandalism. OMU reserves the right to remove any poles, conductors, and security light from the premises of the customer, if OMU determines that it is impractical to maintain them. All service and maintenance will be performed only during regularly scheduled working hours of OMU.
- 4. The customer agrees to furnish a suitable location for the security light, and to pay the monthly rental specified below for the light as a part of customer's monthly bill for electric service. OMU may remove the security light (including any poles and conductors installed to serve it) upon customer's failure to timely pay any charges set forth herein.
- 5. The security light remains the property of OMU and it will be removed at the request of the customer upon thirty (30) days' prior written notice.

The city utility commission may establish policies governing the location, installation, maintenance, and removal of security lights.

#### Monthly rate:

Size:	Standard	Flood
Security	\$[ <del>5.85</del> ] <u>7.60</u>	
100 Watts *	\$ 6.05	
6,000 +/- 500		\$ 8.05
<u>Lumens (</u> 150		
Watts <u>**)</u>		
175 Watts *	\$ 7.05	\$ 8.05
250 Watts *	\$12.00	
<u>15,000 +/- 1,000</u>	\$12.90	\$[ <del>14.05</del> ] <u>15.10</u>
<u>Lumens (</u> 400		
Watts**)		
1000 Watts *		\$21.60

<sup>\*</sup>Light size no longer available and rate applies to existing lights only

<sup>\*\*</sup>Previous size designation. New lighting no longer sized in watts.

Customer charge:

Waived.

Energy charge:

Waived.

Minimum bill:

The monthly rate.

Energy cost adjustment:

Waived.

Environmental control cost adjustment:

Waived.

Tax cost adjustment:

Same as residential service.

Payment:

[Monthly bills are rendered net, payable within seven (7) days. Unpaid bills are delinquent on the eighth day after date of issue, and ten (10) percent may be added to all such bills Same as residential service.

**SECTION 2.** All Ordinances, Resolutions, Orders and approvals, or parts thereof, in conflict with the provisions of this Ordinance, are repealed to the extent of any conflict.

**SECTION 3.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**SECTION 4.** This Ordinance shall become effective June 1, 2019, upon its passage and approval.

	INTRODUCED AND PUBLICLY	<b>READ</b> on first reading, this 16th day of April,
2019.		
	PUBLICLY READ AND FINALLY	APPROVED on second reading, this 7th day of
May,	2019.	
		Thomas H. Watson, Mayor
ATTE	ST:	
Beth (	Cecil, City Clerk	

# RESOLUTION OF THE CITY UTILITY COMMISSION OF THE CITY OF OWENSBORO, KENTUCKY AMENDING THE RATES FOR ELECTRIC SERVICE

Whereas, the City Utility Commission has received a cost of service study of its electric rates from Burns & McDonnell Engineering Co., Inc. and recommendations from Owensboro Municipal Utilities (OMU) management for adjustments to its electric rates and other provisions of its rate schedules; and

Whereas, KRS 96.535(1) prescribes that the rates to be charged for electric services from OMU shall be fixed and revised from time to time by the City Utility Commission and approved by the Board of Commissioners of the City; and

Whereas, the Utility Commission has considered the rate study and the recommendations of management and wishes to make revisions to the schedule of rates for electric service;

Now, Therefore, the Utility Commission resolves as follows:

The Utility Commission fixes the rates to be charged for and the terms of electric service provided by OMU, effective June 1, 2019, as set forth in the proposed amendment to Section 26.82 of the Owensboro Code of Ordinances, attached hereto, and recommends that the Board of Commissioners of the City of Owensboro approve the proposed rates and adopt the proposed amendment to the ordinance.

This 21st day of March, 2019.

BOARD OF COMMISSIONERS OF THE CITY UTILITY COMMISSION OWENSBORO MUNICIPAL UTILITIES

APFROVED BY UTILITY COMMISSION

BMJ

Jan S Moddon &

I, Ted Lolley, Secretary of the City Utility Commission of the City of Owensboro, certify that the foregoing is a true and correct copy of the resolution duly adopted by said Commission at its meeting on March 21, 2019.

This 21st day of March, 2019.

Ted E. Lolley