ORDINANCE 26-2026

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 November 5, 2026, 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 therefor, 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 February 1, 2027, 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, 2023~~] February 1, 2027, and billed on or after [~~June 1, 2023~~] February 1, 2027, 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 a single-family dwelling unit[~~s~~] 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~~] their 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 separately metered structure such as a garage, storage shed or other buildings will be billed as a separate service at the non-residential rate. [~~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.~~] Hotels, dormitories, assisted living facilities and similar institutional or transient living facilities are considered nondomestic unless each dwelling unit is separately metered.

Type of service:

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

Monthly rate:

Customer charge:

Single-phase, per month	[~~$16.50 effective June 1, 2023;~~] $18.00 effective June 1, 2024.
Three-phase or CT metered, per month	[~~$31.50 effective June 1, 2023;~~] $33.00 effective June 1, 2024.

Energy charge:

[~~$0.0956 per kWh for all kWh effective June 1, 2023;~~]
$[~~0.0986~~]0.12116 per kWh for all kWh effective [~~June 1, 2024~~]February 1, 2027.

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 any generating unit of OMU associated with the portion of the energy generated 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 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 [~~four~~] seven ([~~4.0~~]7.0) cents. As used in this paragraph, "OMU retail customers" means customers whose rates are governed by the rates established under this Section 26-82.

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 percent (1%) per month. Depreciation shall be computed as one-twelfth (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 fourteen (14) days. Unpaid bills are delinquent on the fifteenth (15th) day after date of issue and 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 undercharged in equal payments spread over the same number of months as the 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 annual average monthly usage is less than or equal to 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. Any exceptions must be approved under OMU's Rules and Regulations for Electric Service.

Type of service:

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

Monthly rate:

Customer charge:

Single-phase, per month ...	[~~$16.50 effective June 1, 2023;~~] $[~~18~~]23.00 effective [~~June 1, 2024~~]February 1, 2027.

Three-phase or CT metered, per month .... [~~$31.50 effective June 1, 2023;~~]
$[~~33~~]38.00 effective [~~June 1, 2024~~]February 1, 2027.

Energy charge:

[~~$0.0956 per kWh for all kWh effective June 1, 2023;~~]
$[~~0.0986~~]0.11730 per kWh for all kWh effective [~~June 1, 2024~~]February 1, 2027.

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:

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 where the 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. Any exceptions must be approved under OMU's Rules and Regulations for Electric Service.

Type of service:

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

Monthly rate:

Customer charge:

[~~$45.00 per month effective June 1, 2023;~~]
$[~~50~~]90.00 per month effective [~~June 1, 2024~~]February 1, 2027.

Demand charge:

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

[~~$10.15 per kW for all kW of Billing Demand, effective June 1, 2023;~~]
$11.30 per kW for all kW of Billing Demand, effective June 1, 2024.

GSS B - Low load factor customers (average annual load factor < 40%)

[~~$5.10 per kW for all kW of Billing Demand, effective June 1, 2023;~~]
$5.90 per kW for all kW of Billing Demand, effective June 1, 2024.

Energy charge:

GSS A - High load factor customers

$[~~0.0601~~]0.07578 per kWh for all kWh effective [~~June 1, 2023~~]February 1, 2027.

GSS B - Low load factor customers

[~~$0.0776 per kWh for all kWh effective June 1, 2023;~~]
$[~~0.0781~~]0.09660 per kWh for all kWh effective [~~June 1, 2024~~]February 1, 2027.

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 percent (70%) 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 percent (95%) lagging. If the customer's power factor is less than ninety-five percent (95%) lagging and the customer does not expeditiously take corrective action, OMU may, at its option, discontinue service or may install necessary corrective equipment on its lines to improve the customer's power factor to at least ninety-five percent (95%) and charge the customer for the total installed cost of same (including material, labor and overhead costs) or 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:

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 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.

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.

Any exceptions to the foregoing provisions must be approved under OMU's Rules and Regulations for Electric Service.

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:

$[~~120~~]450.00 per month, effective [~~June 1, 2023~~]February 1, 2027.

Demand charge:

$6.00 per kW for all kW of Billing Demand, effective June 1, 2023.

Energy charge:

[~~$0.0596 per kWh for all kWh effective June 1, 2023;~~]
[~~$0.0631~~]$0.07658 per kWh for all kWh effective [~~June 1, 2024~~]February 1, 2027.

Facilities charge:

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

The facilities charge agreements or leases existing as of June 1, 2019 will remain effective only as long as the facilities under an agreement that existed prior to June 1 2019 remain in service and unchanged. If any facilities are added, if there is any increase in transformer capacity, or if any reworking or relocation of facilities occurs, the facilities charge agreement shall be terminated. Upon termination, Customer shall pay OMU the amount equivalent to any remaining depreciable value on any salvable equipment and assume ownership of such facilities, including sole responsibility for maintenance of all facilities located on Customer's side of Customer's primary meter.

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 percent (70%) 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 percent (95%), 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:

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

Energy charge:

[~~$0.0957 per kWh for all kWh effective June 1, 2023;~~]
$[~~0.0995~~]0.11781 per kWh for all kWh effective [~~June 1, 2024~~]February 1, 2027.

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

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

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

Monthly rate:

The applicable residential service, 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:

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.

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~~] <u>fees and reimbursable costs established by the City Utility Commission</u>.

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. ELECTRIC VEHICLE CHARGING STATION

Availability:

In any area served by the Owensboro Municipal Utilities (OMU) electric system in accordance with any terms and conditions contained in any policy established by OMU for electric vehicle charging station service.

Application:

To any customer for all power and energy uses for Level 3 Direct Current Fast Charging (DCFC) Electric Vehicle charging stations or to any commercial customer with more than one Level 2 (DC) Electric Vehicle charging station where service is taken by customer through one (1) meter at one (1) point of delivery.

Type of service:

Three-phase sixty (60) hertz, at one (1) of OMU's standard service voltages.

Monthly rate:

Customer charge:

$120.00 per month, effective June 1, 2023.

Demand charge:

$5.90 per kW for all kW of Billing Demand, effective June 1, 2023.

Energy charge:

$[~~0.0781~~]0.09660 per kWh for all kWh, effective [~~June 1, 2023~~]February 1, 2027.

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 percent (70%) of the highest demand established in the preceding eleven (11) months.

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.

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 percent (25%);

b) for the twelve (12) consecutive monthly billings of the second contract year, the total demand charge shall be reduced by twenty percent (20%);

c) for the twelve (12) consecutive monthly billings of the third contract year, the total demand charge shall be reduced by fifteen percent (15%);

d) for the twelve (12) consecutive monthly billings of the fourth contract year, the total demand charge shall be reduced by ten percent (10%);

e) for the twelve (12) consecutive monthly billings of the fifth contract year, the total demand charge shall be reduced by five percent (5%); 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 costs 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.

IX. RESIDENTIAL SUBMETERING RIDER

As an exception to the prohibition of the resale of electricity, OMU may allow submetering of electricity supplied to a customer for residential units that satisfy the conditions set out in this Article IX and any terms and conditions prescribed by OMU for the submetering.

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 new building constructed after June 1, 2023, containing residential units to be served at one (1) point of delivery through one (1) meter used exclusively for submetering. The building must contain at least three (3) floors of residential units and not less than a total of ten (10) residential units in the building, with each unit supplied electricity for domestic purposes only.

Any service to any common or nonresidential area of the building must be metered separately from the meter measuring service to the sub-metered residential units. Submetering is not available for units that are used for transient or short-term rental.

Requirements:

Customer must enter into and comply with the terms and conditions of a Submetering Agreement with OMU.

Monthly rate:

Customer charges:

Same as that for residential service (single phase), but multiplied by the total number of residential units to be contained in the building.

Energy Charge:

Same as residential service.

Minimum Bill:

Customer charges.

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.

X. NET ENERGY METERING FOR RENEWABLE GENERATION RIDER

Definitions:

As used in this Article X:

Electric "distributed generation system" or "DG System" shall mean distributed renewable generation facilities and associated equipment for non-utility generation or co-generation 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, solar generation technologies, or a hybrid system.

Application:

For customers that were interconnected to OMU with renewable generation before June 1, 2023; provided, however, if electric service to the customer is disconnected for more than thirty (30) days, or if the service or the property receiving the service is transferred, or if the DG System is replaced or expanded, then the Net Energy Metering for Renewable Generation rate will no longer be applicable and the Renewable Generation Metering Service Rider will apply to any DG System.

After June 1, 2038 any customer with a DG System will be billed under the Renewable Generation Metering Service rate.

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 DG 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;
2. The DG System 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 generation supplied to the OMU System by the DG System shall not exceed 100 kW.
4. The DG System 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. The power quality characteristics are specified in the Distribution Interconnection Policy for Generator Facilities (DG System Policy) and OMU's Rules and Regulations for Electric Service;
5. The DG System must have been approved by OMU and customer must have accepted and agreed to the terms and conditions of the DG System Policy;
6. The power generated from the DG System must come from a renewable energy source.

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. Interested customers must make formal application, pursuant to the DG System Policy. OMU will review the application and will approve or deny it based upon the results of the system impact study and an assessment of any safety risks. 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 renewable generation interconnection may not be placed in service until this process is completed and OMU's approval has been obtained.

Type of service:

Consistent with the customer’s applicable rate classification schedule.

Monthly rate:

Customer charge:

Consistent with the customer's applicable rate classification schedule.

Demand charge:

Consistent with the customer's applicable rate classification 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 the amount of the excess energy, based upon the avoided cost rate, against any energy charges the customer incurs for electricity in the next billing period. 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. However, variable costs to OMU will not include any energy supplied to OMU from any resources of OMU customers. 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 the customer's applicable rate classification schedule.~~]

Minimum bill:

Consistent with the customer's applicable rate classification schedule.

Power factor:

Consistent with the customer's applicable rate classification schedule.

Energy cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Environmental control cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Tax cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Payment:

Same as residential service.

XI. RENEWABLE GENERATION METERING SERVICE RIDER

Definitions:

As used in this Article XI:

Electric "distributed generation system" or "DG System" shall mean distributed renewable generation facilities and associated equipment for interconnection to, and parallel operation with, the Owensboro Municipal Utilities (OMU) electric system, but excluding any utility generation or cogeneration, and the DG System is governed by and shall be in compliance with the OMU Distribution Interconnection Policy for Generator Facilities ("DG System Policy").

"Renewable generation" is the generation of electricity that is produced from wind, water, or solar generation technologies, or a system that is a hybrid of the foregoing.

Application:

In all of the OMU service territory where the OMU electric system is capable of accommodating interconnection with a customer's renewable generation system in accordance with OMU policy and the applicable terms and conditions for electric service.

Requirements:

1. OMU may place reasonable limits on the total amount of distributed renewable generation interconnected to the OMU system;

2. Application for interconnection of the generation shall be made to OMU as provided in OMU's DG System Policy;

3. Customer must agree to and comply with all of the terms and conditions of the OMU DG System Policy and OMU's Rules and Regulations for Electric Service;

4. The proposed DG System must have been approved by OMU.

Electricity will be measured by a bidirectional kilowatt-hour metering system capable of measuring the flow of electricity delivered by OMU to the customer and also measuring any energy delivered to OMU from the customer's DG System. Customer will not be charged for any OMU metering costs, other than those billed to all customers served under customer's rate classification schedule.

If the customer's electric service is disconnected or transferred for any reason, any remaining credit balance for renewable generation, after any available credits are applied to customer's final billing, shall not be transferable or redeemable by customer and shall be forfeited.

Monthly rate:

A customer taking service under the Renewable Generation Metering Service Rider shall be served according to all of the rates, terms, and conditions of customer's rate schedule, and energy charges shall be subject to the following:

Energy Charge:

Energy delivered by OMU: Consistent with the customer's applicable rate classification schedule.

Energy received from the Customer: Credited at the Avoided Cost Rate.

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. However, variable costs to OMU will not include any energy supplied to OMU from any resources of OMU customers. 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.

XII. COGENERATION METERING SERVICE RIDER

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. Customer must enter into a Power and Energy Service Contract (PESC) that includes Supplemental or Standby Service;

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:

Electricity will be measured by a bidirectional kilowatt-hour metering system capable of measuring the flow of electricity delivered by OMU to the customer and also measuring the energy delivered to OMU from the customer's cogeneration system. 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.

If the customer's electric service is disconnected or transferred for any reason, any remaining credit balance related to cogeneration, after any available credits are applied to customer's final billing, shall not be transferable or redeemable by customer and shall be forfeited.

Type of service:

Consistent with the customer's applicable rate classification schedule.

Monthly rate:

Customer charge:

Consistent with the customer's applicable rate classification schedule.

Demand charge:

Consistent with the customer's applicable rate classification schedule.

Contract demand charge:

Consistent with the customer's applicable rate classification schedule.

Energy charge:

Energy delivered by OMU: Calculated under the customer's rate classification schedule.

Energy received from the Customer: Credited at the Avoided Cost Rate defined below:

Avoided c*ost 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. However, variable costs to OMU will not include any energy supplied to OMU from any of OMU customer resources. 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.

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.

Minimum bill:

Consistent with the customer's applicable rate classification schedule.

Power factor:

Consistent with the customer's applicable rate classification schedule.

Energy cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Environmental control cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Tax cost adjustment:

Consistent with the customer's applicable rate classification schedule.

Payment:

Same as residential service.

XIII. SUPPLEMENTAL OR STANDBY SERVICE RIDER

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 the 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.

6. 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~~] rolling year.

Demand charges:

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

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 SSSS 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.

XIV. 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, effective [~~*June 1,*~~ 2023]February *1, 2027:*

Type	Size	Lumens	Rate
Standard	Small[~~:~~] *Security*[~~, 100W*, & 175W*~~]	6,000 (+/- 500)	$[~~10.00~~]15.06
	Large[~~: 250W*, & 400W~~]	15,000 (+/- 500)	$[~~15.40~~]21.66
Flood	Small[~~: 150W & 175W*~~]	6,000 (+/- 500)	$[~~10.70~~]16.02
	Large: 400*W*	15,000 (+/- 500)	$[~~17.75~~]24.48

	[~~Extra Large: 1,000*W**~~]		[~~$24.25~~]

[~~* Watt size no longer available~~]

[~~*Monthly rate, effective June 1, 2024:*~~

~~Type~~	~~Size~~	~~Lumens~~	~~Rate~~
~~Standard~~	~~Small: *Security, 100W*, & 175W**~~	~~6,000 (+/- 500)~~	~~$12.55~~
	~~Large: 250W*, & 400W~~	~~15,000 (+/- 500)~~	~~$18.05~~
~~Flood~~	~~Small: *150W & 175W**~~	~~6,000 (+/- 500)~~	~~$13.35~~
	~~Large: 400W~~	~~15,000 (+/- 500)~~	~~$20.40~~
	~~Extra Large: 1,000W*~~	-	~~$26.90~~

~~* Watt size no longer available~~]

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:

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 February 1, 2027, upon its passage and approval.

INTRODUCED AND PUBLICLY READ ON FIRST READING, this 17th day of November, 2026.

PUBLICLY READ AND FINALLY APPROVED ON SECOND READING, this 1st day of December, 2026.

_____
Thomas H. Watson, Mayor

ATTEST:

_____
Beth Davis, City Clerk