ORDINANCE NO. 17-_____

AN ORDINANCE AMENDING TITLE 8 (PUBLIC UTILITIES), CHAPTER 1 (ELECTRICITY), ARTICLE C (ELECTRIC SERVICE RATES) SECTION 4 (SCHEDULE OF RATES) OF THE NAPERVILLE MUNICIPAL CODE TO ALLOW FOR PRIMARY AND TRANSMISSION STANDBY RATES

WHEREAS, the City of Naperville ("City") owns and operates an electric utility ("Utility") which provides electric service to retail customers located within the City of Naperville, Illinois; and

WHEREAS, the City owns no electric generation on the date of this ordinance and purchases all electricity required to meet the needs of its retail customers; and

WHEREAS, Nalco Company, LLC and BP Corporation North America, INC ("Customer") own and operate research and office complexes ("Complex") located in Naperville, Illinois; and

WHEREAS, the Customer owns and operates a cogeneration facility fueled by natural gas ("Facility") with generating capacity which is located at the Complex and which operates in parallel with Utility's System; and

WHEREAS, the Customer's Facility is a Qualifying Facility as defined in the Public Utility Regulatory Policies Act of 1978 as of the date of this Ordinance, including amendments contained in the Energy Policy Act of 2005; and

WHEREAS, the Customer's Facility is interconnected with Utility's system at a voltage of 12.47 Kilovolts and served by a dedicated 12.47 Kilovolt Utility feeder; or

WHEREAS, the Customer's Facility is interconnected with Utility's system at a voltage of 34.5 Kilovolts and served by a dedicated 34.5 Kilovolt Utility line;

WHEREAS, the Customer's Facility is operated when such operation is deemed economical by Customer; and

WHEREAS, when Customer's Facility is in operation, the Facility supplies a portion of the electricity required by Customer's Complex; and

WHEREAS, Pursuant to a contract between Utility and Customer, Customer sells to Utility electric energy generated by Customer's Facility in excess of that electric energy consumed at the Complex; and

WHEREAS, electricity required at the Complex that is not generated by Customer is purchased from Utility under Utility's Primary Metering tariff rate entitled "Primary Metering"; and under Utility's Transmission Metering tariff rate entitled "Transmission Metering"; and

WHEREAS, the Customer wishes to sell to the Utility, and the Utility agrees to purchase from the Customer, that electric energy generated by Customer's Facility in excess of the electric energy required by the Complex in accordance with the provisions of the Public Utility Regulatory Policies Act of 1978.

THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule powers that:

SECTION 1: Title 8 (Public Utilities), Chapter 1 (Electricity), Article C (Electric Service Rates), Section 4 (Schedule of Rates), of the Naperville Municipal Code is hereby amended by adding the underlined language and deleting the stricken language as follows:

8-1C-4: **SCHEDULE OF RATES:**

1. Development of Rates: A rate and fee study was conducted to determine the appropriate set of DPU-E rates and fees by computing the power purchase agreement and other "costs" to DPU-E and translating it to cost-of-service customer "prices" for DPU-E supply of electric energy and services. The development of the fees relied upon variables such as material costs, labor costs, and lifecycles of the materials being installed.

8-1C-4:1.1 through 8-1C-4:1.8 * * *

1.9. Customer Charge per Rate Class: All utility bills will contain a monthly customer charge based on the table values below. Such charge shall be the minimum monthly charge.

DPU-E FEE SCHEDULE 1: CUSTOMER CHARGES PER RATE CLASS

Rate Class	Customer Charge Effective 3/01/2013	Customer Charge Effective 2/01/2016	Customer Charge Effective 1/01/2017	Customer Charge Effective 1/01/2018
Residential Service	$11.10	$12.60	$14.10	$15.60
General Service	$21.65	$24.65	$27.65	$30.65
Primary Metering	$52.35	$77.35	$102.35	$127.35
Transmission Metering	$52.35	$77.35	$102.35	$127.35
Primary Standby Metering			$157.00	$182.00

Transmission Standby Metering			$280.00	$305.00
Outdoor Metered Lighting	$21.65	$24.65	$27.65	$30.65

8-1C-4:2 through 8-1C-4:8 * * *

9. Primary Metering Rates (PM):

9.1. Primary Metering Description: This rate class shall be available to any nonresidential customer who meets the following criteria. Customers who were billed at the primary metering class prior to November 1, 1995 may continue billing pursuant to this rate.

9.1.1. Where electricity is supplied between four thousand one hundred sixty (4,160) volts and twelve thousand five hundred (12,500) volts and is metered at the DPU-E electric energy source conductors or at the electric energy conductors entering the customer's premises;

9.1.2. Where the customer's minimum kilowatt (kW) demand is greater than seven hundred fifty (750) kW during any billing period over the course of the previous twelve (12) billing periods; and

9.1.3. Where the customer furnishes, installs and maintains any and all transformers and other facilities necessary to reduce the primary voltage of each such electric energy conductor to a lower voltage for the customer's use.

9.2 A Standby ~~Rate~~ Capacity Charge shall be applied to all Primary Metering customers who are approved by DPU-E to use cogeneration and have a valid Parallel Operation and Energy Purchase Agreement. The Standby ~~Rate~~ Capacity Charge is utilized by DPU-E to recover costs incurred to have capacity available to meet customer peak demand when needed. The standby capacity (kW) is determined by the customer's previous three-year rolling average, and is calculated for each calendar year and the monthly standby capacity charge rate is $5.83/kW for Primary Metering. The monthly billing demand shall be based on customer's contribution to the Utility's wholesale peak billing demand from the Illinois Municipal Electric Agency (IMEA) and shall be provided at wholesale demand rates plus losses on kW units coincident with the Utility's peak. Rates for energy provided by the utility equal the wholesale rate from IMEA plus losses on kWh units purchased. If Primary cogeneration customer no longer has cogeneration facilities on-site or a valid Parallel Operation and Energy Purchase Agreement with the City of Naperville DPU-E, they will be charged according to the Primary Metering Flat Rate Schedule in Section 8-1C-4:9.3.3 hereof.

9.3. Primary Metering Flat Rate Charges:

9.3.1. Flat Rate Description: These rates are available to all primary metering customers. They are referred to as "flat" rates because each kilowatt hour (kWh) is charged at the same price no matter when it is used. The customer

bill may rise or fall depending on the amount of energy consumed, but the rate remains at the same flat amount throughout the entire billing period.

9.3.2. Minimum Charge: The minimum bill in any billing period shall be the customer charge set forth in Section 8-1C-4:1.9 hereof.

9.3.3. Demand and Energy Charges: The following rate schedule outlines the flat rates for primary metering customers. These rates are subject to any applicable Municipal and State taxes for each billing period.

DPU-E RATE SCHEDULE 5: FLAT PRIMARY METERING RATES

Bill Rate Code	Rate Name	Standard/ Optional	Description of Rate	Units	Feb 1, 2016 Value	Jan 1, 2017 Value	Jan 1, 2018 Value
FPS	Flat Primary Metering Rate	Standard	This rate is the set rate for energy (kWh) supplied to the customer's transformer primary side. The customer is responsible for maintaining onsite electrical facilities, including transformers.	$/kWh	$0.0504	$0.0495	$0.0485
FPD	Flat Primary Metering Demand Rate	Standard	Demand charges cover the costs of keeping equipment available to provide enough energy to meet the highest requirements of the customer any time during the month.	$/kWd	$21.5000	$22.7500	$24.0000
FPN	Flat Primary Net Metering Rate (renewable energy sources)	Net Option	This rate relates to the energy credit you would receive when you have renewable energy sources at your business such as solar panels, wind generators etc.	$/-kWh	-$0.0504	-$0.0495	-$0.0485

FPC	Flat Primary Metering Forward Energy Rate	Sub Option	This rate is an option available for customers who charge Electric Vehicle/Plugin Hybrid Electric Vehicle (EV/PHEV) or other approved energy storage devices.	$/kWh	$0.0504	$0.0495	$0.0485
FPG	Flat Primary Co-Generation Metering Rate	Co-gen Option	This is the rate of energy (kWh) delivered to the electric grid by customer cogeneration equipment. Cogeneration is defined as an energy source which utilizes a non-renewable fuel, such as natural gas, to produce electric energy.	$/-kWh		Average cost with IMEA for 12-month contract, will be reviewed and modified every May 01.	
TP8	Standby Primary Metering Energy Rate	Standby-Co-gen Option	This is a cogeneration customer rate for all energy used, charged per kilowatt hour consumed (kWh)	$/kWh		Average cost from IMEA for previous calendar year plus losses of 2.5%, and will be reviewed and modified every January 01.	
TP9	Standby Primary Metering Demand Rate	Standby-Co-gen Option	This is a cogeneration customer rate charged for all kW demand coincident with Utility's peak demand	$/kWd		Average cost from IMEA for previous calendar year plus losses of 2.5%, and will be reviewed and modified every January 01.	

8-1C-4:9.4 * * *

10. Transmission Metering Rates (TM):

10.1. Transmission Metering Description: This rate shall be available to any nonresidential customer where:

10.1.1. The primary voltage of electricity supplied is equal to or greater than thirty-four thousand five hundred (34,500) volts and is metered at the DPU-E electric energy source conductors or at the electric energy conductors entering the customer's premises;

10.1.2. The customer's minimum kilowatt (kW) demand is greater than seven hundred fifty (750) kW during any billing period over the course of the previous twelve (12) billing periods; and

10.1.3. Where the customer furnishes, installs and maintains any and all transformers and other facilities necessary to reduce the primary voltage of each such electric energy conductor to a lower voltage for the customer's use.

10.2. A Standby ~~Rate~~ Capacity Charge shall be applied to all Transmission Metering customers who are approved by DPU-E to use cogeneration and have a valid Parallel Operation and Energy Purchase Agreement. The Standby ~~Rate~~ Capacity Charge is utilized by DPU-E to recover costs incurred to have capacity available to meet customer peak demand when needed. The standby capacity (kW) is determined by the customer's previous three-year rolling average, and is calculated for each calendar year and the monthly standby capacity charge rate is $2.71/kW for Transmission Metering. The monthly billing demand shall be based on customer's contribution to the Utility's wholesale peak billing demand from the Illinois Municipal Electric Agency (IMEA) and shall be provided at wholesale demand rates plus losses on kW units coincident with the Utility's peak. Rates for energy provided by the utility equal the wholesale rate from IMEA plus losses on kWh units purchased. If Transmission cogeneration customer no longer has cogeneration facilities on-site or a valid Parallel Operation and Energy Purchase Agreement with the City of Naperville DPU-E, they will be charged according to the Transmission Metering Flat Rate Schedule in Section 8-1C-4:10.3.3 hereof.

10.3. Transmission Metering Flat Charges:

10.3.1. Flat Rate Description: These rates are available to all transmission metering customers. They are referred to as "flat" rates because each kilowatt hour (kWh) is charged at the same price no matter when it is used. The customer bill may rise or fall depending on the amount of energy consumed, but the rate remains at the same flat amount throughout the entire billing period.

10.3.2. Minimum Charge: The minimum bill in any billing period shall be the customer charge set forth in Section 8-1C-4:1.9 hereof.

10.3.3. Demand And Energy Charges: The following rate schedule outlines the flat rates for transmission metering customers. These rates are subject to any applicable Municipal and State taxes for each billing period.

DPU-E RATE SCHEDULE 7: FLAT TRANSMISSION METERING RATES

Bill Rate Code	Rate Name	Standard/ Optional	Description of Rate	Units	May 1, 2015 Value	Feb 1, 2016 Value	Jan 1, 2017 Value	Jan 1 2018 Value
FTS	Flat Transmission Metering Rate	Standard	This is the flat rate for energy (kWh) supplied to a specified customer's Point of Delivery.	$/kWh	$0.0456	$0.0508	$0.0529	$0.0548
FTD	Flat Transmission Metering Demand Rate	Standard	This demand rate measures the highest monthly energy demand (kW) achieved by a customer.	$/kWd	$15.9303	$16.5000	$17.2500	$18.0000
FTN	Flat Transmission Net Metering Rate	Net Option	This rate relates to the energy credit you would receive when you have renewable energy sources at your business such as solar panels, wind generators etc.	$/-kWh	-$0.0456	-$0.0508	-$0.0529	-$0.0548
FTC	Flat Transmission Metering Forward Energy Rate	Sub Option	This rate is an option available for customers who charge Electric Vehicle/Plugin Hybrid Electric Vehicle (EV/PHEV) or other approved energy storage devices.	$/kWh	$0.0456	$0.0508	$0.0529	$0.0548
FTG	Flat Transmission Co-Generation Metering Rate	Co-gen Option	This is the rate of energy (kWh) delivered to the electric grid by customer cogeneration equipment. Cogeneration is defined as an energy source which utilizes a non-renewable fuel, such as natural gas, to produce electric energy.	$/-kWh	Average cost with IMEA for 12-month contract, will be reviewed and modified every May 01.			
TT8	Standby Transmission Metering Energy Rate	Standby-Co-gen Option	This is a cogeneration customer rate for all energy used, charged per kilowatt hour consumed (kWh)	$/kWh	Average cost from IMEA for previous calendar year plus losses of 0.5%, and will be reviewed and modified every January 01.			

TT9	Standby Transmission Metering Demand Rate	Standby-Co-gen Option	This is a cogeneration customer rate for all kW demand coincident with Utility's peak demand	$/kWd	Average cost from IMEA for previous calendar year plus losses of 0.5%, and will be reviewed and modified every January 01.

8-1C-4:10.4 * * *

SECTION 2: This Ordinance shall be in full force and effect upon its passage and approval.

PASSED this _____ day of _____, 2017.

AYES:

NAYS:

ABSENT:

APPROVED this _____ day of _____, 2017.

_____
Steve Chirico
Mayor

ATTEST:

_____
Pam Gallahue, Ph.D.
City Clerk