Chapter 13.08

ELECTRICITY[3]

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13.08.010 Electrical department - Established - Purpose.

The City of St. Charles Electric Utility (SCMEU) shall be responsible for: generation and/or purchase, distribution and sale of electrical energy to its customers.
(Ord. 1994-M-65 § 1; Prior code § 14.101.)

13.08.015 Definitions.

A. City of St. Charles Municipal Electrical Utility (SCMEU). The City of St. Charles Municipal Electric Utility (SCMEU) is an "Illinois Municipal Utility" which, since 1892 to the present time, has been owned and operated by the city of St. Charles, Illinois pursuant to a continuum of State of Illinois Constitutional and Statutory Authority (e.g., Common Law, Statutes prior to 1913; "Municipal Ownership Act" of 1913; 65 ILCS 5/11-117-1 to 11-117-14 and 11-119-1 to 11-119-5).
(Ord. 1996-M-53 § 28.)

B. Customer. Any person, partnership, corporation or other legal entity that has a contractual or other arrangement with SCMEU whereby SCMEU provides service to customer premises.

C. Customer premises (CP). Any land, space or area, e.g., single family residence, apartment, condominium, store, office, factory, etc., which is to be occupied by a customer and which is served by one or more separate customer electrical distribution systems.

D. Customer Electrical Installation (CEI). Electric service apparatus, electric wiring, lighting, apparatus, and equipment of all sorts which are located on Customer premises for the utilization of electric energy distributed by SCMEU.

E. Secondary Voltage Point of Connection (SVPC). An input point of connection of a secondary voltage power source to a customer electrical installation (CEI).

F. Municipal Utility Electrical System (MUES). Land and land rights; structures and improvements; station equipment; poles, towers, and fixtures; overhead conductors and fixtures; underground conduits; underground conductors and devices; transformers; system protection; and cables, conductors, conduits, poles and apparatus of every sort by which electric energy is transmitted to customer electrical installations.

G. Customer Electrical Distribution System (CEDS). That portion of the "Municipal Utility Electrical System" apportioned to serve a "Customer Electrical Installation."

H. Primary Voltage Point of Connection (PVPC). An input point of connection of a primary voltage power source to a customer electrical distribution system.

I. Customer Connection (CC). That portion of the Municipal Utility Electrical System (MUES) connecting a Customer Electrical Distribution System to a Customer Electrical Installation.

J. New Electric Service (NES). Electric service, of any kind, to a Customer Electrical Installation (CE) not served by a Customer Connection (CC).

K. Upgraded Electric Service (UES). Any upgrade of electric service to a Customer Electrical Installation (CE).

L. Temporary Customer Connection (TCC). A temporary Customer Connection that will be removed after a short period of time, e.g., a temporary connection used during construction on Customer Premises; or a temporary connection to accommodate a casual use of premises.

M. Permanent Customer Connection (PCC). A permanent Customer Connection to an established Customer.

N. Service. "Service" is used in its broadest and most inclusive sense, and includes not only the use or accommodation afforded Customers, but also "any product or commodity furnished by SCMEU; and the plant, equipment, apparatus, property and facilities employed by, or in connection with, SCMEU performing any service or in furnishing any product or commodity and devoted to the purposes in which SCMEU is engaged and to the use and accommodation of the public.

O. Rate. "Rate" includes every rate, charge, fee, rental or other compensation of SCMEU or any schedule or tariff thereof, and any rule, regulation, charge, practice or contract relating thereto.

P. Charge. "Charge" is used in its broadest and most inclusive sense, and includes any and all billing rendered by SCMEU, or on behalf of SCMEU, as compensation of SCMEU for Service rendered.

Q. Monthly Customer Charge. A Charge fixed by Ordinance for maintaining Service to an established Customer. This is the minimum monthly charge to a Customer.

R. Energy Charge. A unit Charge fixed by Ordinance for electric energy supplied to a Customer.

S. Demand Charge. A unit Charge fixed by Ordinance for the maximum metered demand within a stated period of time, e.g., month.

T. Customer Service Classes.

1. Residential Service (RS). Residential Service means Service to (a) a single family residence; (b) each living unit of an apartment building, condominium, or other multiple unit dwelling; and each trailer space in a trailer park; however, Residential Service does not include service to hotels and motels.
2. Street Lighting Service (SLS). Street lighting service means service to a governmental entity for dusk to dawn illumination.
3. General Service (GS). General Service means Service other than Residential Service and Street Lighting Service.

U. In Place Cost (IPC). The cost of an electric system installation, e.g., a Customer Electrical Distribution System (CEDS), and/or a Customer Connection (CC), as determined by the most recent experience in the construction of similar installations in the area served by SCMEU; or a reasoned estimate of costs to be incurred by construction of a proposed electric system installation.

V. Service Origination Connection Charge (SOCC). A Charge corresponding to the In Place Cost of the Customer Electrical Distribution System allocated to serve a Customer Premises.

W. Administrative Enrollment Charge (AEC). A Charge corresponding to the costs incurred in processing an application for electric service.

X. Service Enrollment Connection Charge (SECC). A Charge corresponding to the In Place cost of a Customer Connection; and an Administrative Enrollment Charge.

Y. Service Upgrade Charge (SUC). A Charge corresponding to the In Place cost of providing any requested Upgraded Electric Service.

Z. Late Payment Charge (LPC). A Charge prescribed by Ordinance for late payment of charges.

AA. Engineering Charge (EC). A Charge corresponding to the estimated cost of preparing working drawings, specifications, and cost estimates to establish a "Service Origination Charges(s)"; and for preparation of a proposed contract for completion of the requested construction at a specified time."

BB. Utility Services – Electric, water, sewer, yard waste, and refuse services that are provided by the City or its designated provider.

(Ord. 2010-M-7 § 1.)

(Ord. 1992-M-71 § 1.)

13.08.020 Electrical division - Superintendent designated.

The superintendent of electricity shall have supervision over the operation, maintenance and repair of the City's electrical distribution system.

(Ord. 2000-M-2 § 1; Ord. 1995-M-30 § 1; Ord. 1994-M-65 § 1; Prior code § 14.102.)

13.08.030 Contract for purchase of electricity.

The rates, terms and conditions of the purchase of electrical energy as stated in this chapter shall be a part of the contract with every person or corporation who purchases electrical energy from the city, and every person or corporation by purchasing electrical energy from the city shall be considered to express his assent to the provisions of this chapter.
(Ord. 1965-6 § 1: prior code § 14.103.)

13.08.040 Applicability of terms and conditions.

The terms and conditions of this chapter shall apply, to all customers using the city's electrical service under any of the rates established by Sections 13.08.200 through 13.08.290.
(Ord. 1995-M-30 § 1; Prior code § 14.105 (part).)

13.08.050 Equipment - Furnished and maintained by customer.

All wiring and other electrical equipment on the premises, or connecting the premises with the city's service, furnished by the customer, shall be suitable for the purposes hereof, and shall be installed and maintained by the customer at all times in conformity with the requirements of the National Board of Fire Underwriters as stated in the 2002 edition of the National Electrical Code.
(2003-M-99 § 1; Prior code § 14.105 (1).)

13.08.060 Equipment - City property - Protection by customer - Relocation.

All meters, transformers, poles, structures, and other facilities placed on the customer's premises by the City for the purposes of rendering electric service to said premises, unless otherwise expressly provided, shall be and remain the property of the City, and the customer shall exercise reasonable care to protect such property from alterations, misuse, modification, foreign objects, vegetation, loss or damage. When there is a change in the customer's operation, or construction, which in the judgment of the City makes relocation of the facilities necessary, or if the customer requests relocation, the City will move such facilities at the customer's expense to an acceptable location on the customer's premises.
(2003-M-99 § 1; Prior code § 14.105(2).)

13.08.062 Existing Transformer Upgrade.

The customer shall pay the exact cost of upgrades to equipment serving the customer facility. A "Transformer Cost Credit" (TCC) may be given for the future replacement of existing transformers based on the accumulated depreciation of the existing asset. Applicability of the TCC and the amount will be determined by the St. Charles Municipal Electric Utility (SCMEU).
(2004-M-99 § 1.)

13.08.065 Equipment – Unauthorized attachment.

The City prohibits unauthorized attachment (including painting or marking) of any wires, signs, clotheslines, antennas, fences, etc. to its poles, pedestals, pad-mounted transformers or other structures. The City also prohibits the use of its poles for placards or other advertising matter and will remove any such unauthorized attachments without notice and may prosecute any such trespassing. The City may remove or cause to be removed without notice any unauthorized foreign matter from its poles, pedestals, pad-mounted transformers or other structures at the expense of the property owner.
(2003-M-99 § 1.)

13.08.070 Metering equipment - City maintenance - Accessibility.

The City will furnish and maintain all metering equipment necessary for measuring and billing the electricity supplied. The customer shall provide a suitable place for reading, testing, inspecting or exchanging such metering equipment.
(Prior code § 14.105(3).)

13.08.075 Sub-metering allowed for commercial accounts.

A. Sub-metering is allowed, as an option, on commercial buildings receiving service under one of the City's standard commercial rates (rate 3 and rate 5). A multi-use building, containing commercial and residential units, may only sub-meter the commercial units. Sub-metering is not allowed without prior review, inspection and approval by City staff.

B. The master meter (meter directly connected to City system which feeds all sub-meters) will be City-owned and maintained. All sub-meters must be owned and maintained by the building owner. If any sub-meters are installed in a building, all usage in the building must be sub-metered (no usage in a sub-meter installation can be metered <u>only</u> by the master meter). The building owner shall be billed and is fully responsible for all charges for service provided to the building/property and metered by the master meter.

C. The City takes no responsibility for the sub-meters or their reading or billing. The City shall not be party to any metering accuracy or billing dispute between occupants of the premises being sub-metered and the building owner or designee. The master meter will be read by the City according to the City's reading schedule, which may vary at City's discretion without notice to the building owner.

D. Sub-metering equipment, when installed, must be in new condition, utility grade equipment, of reputable manufacturer, designed for the purposes used, and must meet appropriate standards for utility metering accuracy as defined by the ANSI (American National Standards Institute), IEEE (Institute of Electrical and Electronics Engineers), or other appropriate standards agency.

E. All sub-metering installations are subject to City inspection to assure compliance with electrical codes and standards. City reserves the right to approve or reject sub-metering equipment, before or after installation, based on adherence with codes, installation criteria, applicable standards and this ordinance. Use of any unapproved sub-meter equipment shall make the entire building subject to disconnection of service until approval of the metering installation.

F. All sub-meter devices shall be installed per manufacturer's recommendations. Sub-metering shall not impact the delivery of service to the sub-metered premises, i.e. improper installation or improper sizing of meters. Testing of sub-meter equipment, by qualified meter tester, is required at installation and periodically thereafter per manufacturer's standards and must meet industry standards for meter accuracy as defined by the AWWA, ANSI, IEEE, or other appropriate standards agency.

G. The city reserves the right to terminate service to the building for lack of compliance with any provision of this Section.

(Ord. 2010-M-53 § 1.)

13.08.080 Landlord's consent required for installation of equipment.

In case the customer is not the owner of the premises or of intervening property between the premises and the city's lines, the customer shall obtain from the proper owner, or owners, the necessary consent to the installation and maintenance on the premises and on such intervening property of all wiring and other electrical equipment required for supplying electricity to the customer.
(Prior code § 14.105(4).)

13.08.090 Effect of Customer's Equipment on Power Quality.

Certain types of equipment, which may be purchased and used by the customer, may have operating characteristics that have a detrimental effect on other equipment of the customer or may interfere with the satisfactory use of service by other customers connected to the same distribution system. It is in the interest

of all customers that the use of such equipment be avoided. Where any of the customer's utilization equipment manifests characteristics, which, in the City's judgment, may cause interference with service to other customers or result in operation at a low power factor, the customer shall, at the request of the City, provide suitable facilities to preclude such interference or improve such power factor, or both, as the case may be. Otherwise, the City shall have the right to provide, at the expense of the customer, the facilities necessary to preclude such condition or conditions. The City reserves the right to refuse service where such equipment is installed unless the customer provides suitable compensation or protective devices, or makes satisfactory financial arrangements with the City to provide the necessary capacity or protective measures.
(Ord. 2003-M-99 § 1; Prior code § 14.105(5).)

13.08.100 Access to premises.

The properly authorized agents of the City shall at all reasonable hours have free access to the premises for the purpose of reading, examining, repairing or removing the city's meters and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the City. Should access be denied, or property owner unavailable or unable to provide access more than 6 times in a calendar year, City equipment shall be relocated outside of the inaccessible area at owner’s expense. In the case of meters, the customer shall maintain a minimum of 3 feet clear working space in front of each meter. Additional space will be required adjacent to moving machinery. In the case of pad-mounted equipment, clear and level work areas are required around pad-mounted equipment to provide an adequate safe working space to operate and maintain the equipment. An 8-foot minimum workspace is required in front of all equipment doors to provide room to operate with hot sticks and to replace the equipment. A three foot minimum space is required on non-operable sides.
(Ord. 2003-M-99 § 1; Ord. 1995-M-30 § 1; Prior code § 14.105(6).)

13.08.110 Continuous service.

The city shall not be responsible in damages for any failure to supply electricity, or for interruption, or reversal of the supply, if such failure, interruption, or reversal is without willful misconduct or gross negligence on its part.
(Ord. 1995-M-30 § 1; Prior code § 14.105(7).)

13.08.120 Resale prohibited.

No electrical energy shall be resold or distributed by the recipient thereof from the city electric distribution system to any premises other than that for which application has been made and meter installed.
(Ord. 2010-M-53 § 2; Prior code § 14.105(8).)

13.08.130 Electrical service subject to city policies.

All electrical service hereunder and compensation therefore is subject to all general ordinances affecting the collection, administration and operating policies of the city.
(Ord. 1995-M-30 § 1; Prior code § 14.105(13).)

13.08.135 Application procedures and charges.

A. An application requesting electric service shall be required of all Customers. An application shall provide all information required by SCMEU to process the request, including but not limited to the following:
   1. Residential - Name, service address, billing address, home phone, driver's license number, and, if not an individual, the taxpayer's identification number;
   2. General - Name of business, type of business organization, service address, billing address, phone number, owner and/or president, manager, taxpayer's identification number.

B. A Customer requesting installation of a Customer Connection to any Customer Electrical Distribution System, which was installed at the expense of SCMEU, is to pay both a Service Origination Connection Charge of One Thousand Six Hundred Thirty and no/100 ($1,630.00) Dollars and a Service Enrollment Connection Charge prior to installation of the requested residential Customer Connection.
(Ord. 1995-M-30 § 1; Ord. 1994-M-80 § 1.)

C. A Customer requesting installation of a Customer Electric Distribution System (CEDS) to serve either a Residential Service Customer Premises or a General Service Customer Premises is required to:
   1. Make written application as provided by SCMEU;
   2. Along with the completed application submit an Engineering Charge as set by SCMEU as payment for the estimated cost of preparing working drawings, specifications, and cost estimates to establish a Service Origination Charge(s); and for preparation of a proposed contract for completion of the requested construction at a specified time;
   3. Accept the contract proposal and arrange for payment of the charges specified therein prior to installation of the requested Customer Electric Distribution System(s).

D. A Customer requesting installation of a Customer Connection to any Customer Electrical Distribution System, which was installed at the expense of a person other than SCMEU, is to pay a Service Enrollment Connection Charge prior to installation of the requested Customer Connection.

E. A Customer requesting any upgrade of a Customer Connection or of a Customer Electrical Distribution System, is to pay a Service Upgrade Charge prior to installation of the requested upgraded service.

F. The hourly rates to be charged customers for services rendered by function are as follows:

Engineering	$180.00 per hour
Lineman	$95.25 per hour
Metering Technician	$94.50 per hour
Drafting Personnel	$55.25 per hour

(Ord. 2003-M-99 § 1; Ord. 1992-M-71 § 1.)

13.08.140 Deposit - Required - Refund - Exemption.

A. Deposit shall be charged to any customer, whether owner or non-owner, at any time if such customer meets any of the following criteria:
   1. the customer pays late four times during the prior twelve-month period, or
   2. the utility has disconnected service within the last twelve-month period for violation of the provisions of the St. Charles Municipal Code, or
   3. the utility finds out that the application for service was falsified, or
   4. the customer has two or more returned checks (NSF) during the prior twelve-month period.

   The additional deposit charged shall be in the amount equal to the aggregate of the two highest monthly billings for the twelve-month period ending immediately prior to the request for the additional deposit; or if a twelve-month period is unavailable, then any portion thereof, which amount shall be reduced by the amount of the deposit on hand.
   (Ord. 1993-M-11 § 1; Ord. 1990-M-62 § 1; Ord. 1987-M-89 § 1.)

   The deposits set forth above shall be repaid to such applicant when the city has discontinued or refused the service for which such application was made and when all bills have been paid in full; provided, however, that if the applicant has not paid all bills owing the city for such service within thirty days after such service has been discontinued, then the city clerk shall deduct the amount of the bills so owing from the deposit and remit the balance, if any, to such applicant.
   (Ord. 1990-M-62 § 1; Ord. 1987-M-89 § 1; Ord. 1987-M-30 § 1.)

B. All deposits made by applicants as provided in subsection A of this section who are not delinquent shall be refunded by the city after one year of continuous service during which the applicant has not paid late more than one time during the latest twelve-month period and has received no disconnection notice during that same twelve-month period. Such a deposit may be returned by crediting the customer's utility bill for the amount of deposit at the discretion of City Comptroller.
(Ord. 1987-M-89 § 1; Ord. 1987-M-30 § 1.)

C. Any applicant for new service who has been an electrical service customer of the city for two years immediately prior to the date of application, without incurring any arrearage, shall be considered exempt from the requirement for an initial deposit for new service.
(Ord. 1995-M-30 § 1; Ord. 1994-M-27 § 1; Ord. 1972-M-49 § (I): prior code § 14.105(10).)

13.08.150 General terms and conditions.

General Service and Multi-Unit Residential Installations (e.g., Apartments, Condominiums)

A. CUSTOMER, as prescribed by: the 2002 edition NATIONAL ELECTRIC CODE, NFPA No. 70-2002 adopted by the National Fire Protection Association, the NATIONAL ELECTRIC SAFETY CODE, 2002 edition (ANSI C2-2002) RULES AND REGULATIONS of SCMEU, and directives of the Director of SCMEU, shall furnish, install and maintain:
   1. Foundation and pad for transformer(s)
   2. Primary line conduit to the PRIMARY VOLTAGE POINT OF CONNECTION (PVPC)
   3. Ground grid as required
   4. Service Entrance
   5. Secondary line conduit and secondary conductors
   6. Vehicle barriers as required

B. SCMEU, upon receipt of a specified SERVICE ORIGINATION CONNECTION CHARGE (SOCC), will furnish, install, and maintain:
   1. Transformer(s), switchgear, circuit protection, ground connections for primary and secondary compartments
   2. Primary cables and connections
   3. Make secondary line connections at transformer and at the service entrance

(Ord. 2003-M-99 § 1; Ord. 1994-M-65 § 1; Ord. 1992-M-71 § 1; Ord. 1991-M-24 § 1; Ord. 1990-M-36 § 1; Ord. 1989-M-57 § 1; 1988-M-19 § 1; Ord. 1976-M-25 § 1; Ord. 1976-M-18 § 1; Ord. 1975-M-1 § 1 (part); Ord. 1973-M-1 § 3; Ord. 1972-M-42: prior code 14.105(16).)

13.08.160 Street Lighting and Miscellaneous Services

Street lighting capital, maintenance, and retirement work, and miscellaneous services, all as requested of SCMEU, will be billed at SCMEU's incurred cost for materials, labor, equipment charges, and all related overhead charges.
(Ord. 1994-M-65 § 1.)

13.08.170 Monthly bills.

For the purpose of this chapter, the terms "month" or "monthly" means the period between any two consecutive regular meter readings taken as nearly as practicable at thirty-day intervals.
(Ord. 1965-6 § 2 (part): prior code § 14.105(11).)

13.08.180 Bills for electric used - Rendering - Payment period.

Bills for electric service shall be sent out monthly for all customers and shall be due and payable no less than eighteen days from the billing date. An additional charge of ten percent shall be made on all bills which have not been paid when due except that one late payment shall be allowed within each calendar year at no increase in cost.

(Ord. 1992-M-44 § 1; Ord. 1965-6 § 2 (part): prior code § 14.105(12).)

13.08.185 Disconnect Notice Fee

If it is determined that a notice of disconnection of service shall be issued to a customer due to utility charges being over 30 days past due, a payment being returned unpaid by a bank, a deposit not being paid by the due date, and/or a violation of the terms of this Code, an additional fee (a disconnect notice fee) will be charged. This fee will escalate based on the number of disconnect notices previously issued to the customer in the last twelve months. The disconnect notice fee schedule is $20.00 for the first notice, $35.00 for the second notice, and $50.00 for any subsequent notices.
(Ord. 2011-M-30 § 1.)

13.08.190 Right to cut-off for nonpayment - Reconnection.

A. The City shall have the right to discontinue any utility service provided to the customer on due notice and to remove its property from the customer's premises whenever monthly City bills, or a portion thereof, remain unpaid for 30 days after the due date specified, or in case the customer fails to comply with, or perform, any of the conditions or obligations of this chapter.

B. A customer's service so discontinued shall be connected after the customer has made settlement for City utility bills in arrears, plus any current amount outstanding at the City Clerk's office, or has, to the City's satisfaction, complied with or performed such other conditions or obligations which were in default, as the case may be. A minimum fee shall be charged equal to two times one and one-half the midpoint of the wage rate for a meter technician at the time of reconnection. In the event the City incurs expense for labor in excess of the average cost of reconnection, the City may charge that additional cost for disconnection and reconnection to the customer.

(Ord. 2010-M-2 § 1; Ord. 1993-M-25 § 2; Ord. 1987-M-30 § 1; Ord. 1981-M-21 § 1; Ord. 1972-M-49 § 1; Ord. 1965-6 § 2 (part): prior code § 14.105(9).)

13.08.200 Lien - Claim by city - Notice to owner.

A. Charges for electricity shall be a lien upon the premises as provided by statue. Whenever a bill for electric service remains unpaid ninety days after it has been rendered, the clerk may file with the county recorder of deeds of Kane County, a statement of lien claims. This statement shall contain the legal description of the premises served, the amount of the unpaid bill, and a notice that the city claims a lien for this amount as well as for all charges for electricity served subsequent to the period covered by the bill.

B. If the consumer of electricity whose bill is unpaid is not the owner of the premises, and the clerk has notice of this, then notice shall be mailed to the owner of the premises, if his address is known to the clerk, whenever such bill remains unpaid for a period of ninety days after it has been rendered.

C. The failure of the clerk to record such lien claim or to mail such notice, or the failure of the owner to receive such notice, shall not affect the right to foreclose the lien for unpaid electric bills as mentioned in the Section 13.08.210.

(Ord. 1965-48 § 3; prior code § 14.105(14).)

13.08.210 Lien - Foreclosure.

A. Property subject to a lien for unpaid electric charges shall be sold for nonpayment of the same, and the proceeds of such sale shall be applied to pay the charges, after deducting costs, as is the case in the foreclosure of statutory liens. Such foreclosure shall be by bill in equity in the name of the city.

B. The city attorney is authorized and directed to institute proceedings, in the name of the city, in any court having jurisdiction over such matters, against any property for which the electric bill has remained unpaid sixty days after it has been rendered.

(Ord. 1965-48 § 4; prior code § 14.105(15).)

13.08.220 Rates - Established.

The rates for the purchase of electrical energy are established as set out in Sections 13.08.230 through 13.08.290.

(Ord. 1996-M-77 § 1; Ord. 1995-M-23 § 1; Prior code 14.104 (part).)

13.08.230 Rate 1 - Residential - Rates, Charges and Service Requirements.

A. Availability. Electrical energy is available under this rate for residential purposes.

B. Charges for this rate shall be as follows:

1. Monthly Customer Charge. The net monthly customer charge shall be ten dollars and no cents ($10.00) per meter.
2. Energy Charge. The net energy charge shall be as follows:

   Summer Months

   $0.11 per kilowatt-hour for all kilowatt-hours

   Non-Summer Months

   $0.0913 per kilowatt-hour for all kilowatt-hours

   For the purposes hereof, the "summer months" are defined as the electric usage that is billed to the user starting in the month of June and the next four succeeding months.
3. Minimum Charge. The minimum net monthly charge shall be the net monthly customer charge.
4. Gross Charge. The gross charge shall be ten percent more than the sum of the net monthly customer charge and the net energy charge for the billing period.

(Ord. 2012-M-15 § 1; Ord. 2011-M-20 §1; Ord. 2010-M-31 § 1.)

C. General Requirements.

1. The customer's wiring shall be so arranged that all service hereunder may be supplied through a single metering installation.
2. Service hereunder will be furnished only to a single occupancy, and where service to an apartment building is desired hereunder, each apartment shall be treated as a separate customer and served through a separate metering installation; provided, however, that in apartment buildings containing six or fewer apartments, hall lights and building operating equipment, including no motors larger than one horsepower and not more than six horsepower for all motors, may be connected to the metering installations for one of the apartments, or as a separate metering installation at the discretion of the building operator. The meters shall be grouped in a single location.
3. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder shall be subject thereto.

(Ord. 2010-M-31 § 1; Ord. 2009-M-22 § 1; Ord. 2008-M-32 § 1; Ord. 2007-M-38 § 1; Ord. 2005-M-20 § 1; Ord. 2002-M-29 § 1; Ord. 2001-M-30 § 1; Ord. 2000-M-69 § 1; Ord. 1996-M-77 § 1; Ord. 1995-M-41 § 1; Ord. 1995-M-23 § 1; Ord. 1991-M-19 § 1; Ord. 1990-M-46 § 1; Ord. 1989-M-56 § 1; 1988-M-20 § 1; Ord. 1986-M-82 § 1; Ord. 1983-M-48 § 1 (part); Ord. 1982-M-15 § 1 (part); Ord. 1979-M-31 § 1 (part); Ord. 1977-M-40 § 1 (part); Ord. 1977-M-14 (part); Ord. 1975-M-38 (part); Ord. 1975-M-25 (part); Ord. 1974-M-23 § 1; Ord. 1965-48 § 1 (part); prior code 14.104(A).)

13.08.240 Rate 3 – Small General Service – Rates, Charges, and Service Requirements.

A. Availability.

Electrical energy is available under the Small General Service rate to any customer using the City's electric system for all requirements other than residential service where such customer has a monthly peak kilowatt demand of less than or equal to 25 kilowatts during the previous eighteen billing periods and 2500 kilowatt-hours or less in the current billing period. Any customer whose monthly peak demand has exceeded 25 kilowatts in the current or previous eighteen billing periods or has exceeded 2500 kilowatt-hours during the current billing period will be billed at the rate described in Section 13.08.260.
(Ord. 2011-M-22 § 1.)

B. Charges for this rate shall be as follows:
   1. Monthly Customer Charge. The net monthly customer charge shall be forty dollars ($40.00) per meter.
      (Ord. 2012-M-15 § 2; Ord. 2011-M-20 § 2; Ord. 2010-M-31 § 2.)
   2. Energy Charge. The net energy charge shall be as follows:
      $0.0860 per kilowatt-hour for all kilowatt-hours
      (Ord. 2012-M-15 § 2; Ord. 2010-M-31 § 2.)
   3. Minimum Charge. The net minimum monthly charge shall be the net monthly customer charge.
   4. Gross Charge. The gross charge shall be ten percent more than the sum of the net customer charge and net energy charge.

C. General Requirements:
   1. The customer's wiring shall be so arranged that all service hereunder may be supplied through a single metering installation adequate for a normal load equal to the maximum thirty-minute demand of the customer, at a power factor of eighty-five percent lagging. Except in multi-occupancy business premises where each business shall be serviced as an individual customer. Nothing in this rate shall be deemed to preclude a residential occupancy on the customer's property from being served as a separate customer on a residential rate.
   2. Measurement of Demand and Kilowatt-hours Supplied. Where two or more metering installations are provided on the customer's premises, the demand in any thirty-minute period shall be determined by adding together the separate demands at each metering installation during such thirty-minute period except that:
      a. In case the demand at any metering installation is registered by an indicating or cumulative demand meter, the demand at such installation in each thirty-minute period of any month shall be assumed to be the same as the highest demand in any thirty-minute period of such month.
      b. Where two or more metering installations are provided on the customer's premises and are for the same customer, and if one or more installations qualified for rate 5 and one or more installations qualified for rate 3 then the metering installation readings shall be combined and billed at rate 5.
   3. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder shall be subject thereto.

(Ord. 2010-M-31 § 2; Ord. 2009-M-22 § 2; Ord. 2008-M-32 § 2; Ord. 2007-M-38 § 2; Ord. 2005-M-20 § 2; Ord. 2002-M-29 § 2; Ord. 2001-M-30 § 2; Ord. 2000-M-69 § 2; Ord. 1999-M-47 § 1.)

13.08.250 Rate 6 – Governmental Outdoor Sports Lighting – Rates, Charges, and Service Requirements.

A. Availability. Electrical energy is available under the Governmental Outdoor Sports Lighting rate to any governmental agency using the City's electric service for outdoor sports lighting service only. For purposes of this rate application, outdoor sports lighting is defined as lighting load of over 100 kW demand used to light baseball, football, or soccer fields only.

B. Charges for this rate shall be as follows:
   1. Monthly Customer Charge. The net monthly customer charge shall be forty-five dollars ($45.00) per meter.
   2. Demand Charge. This rate does not have a demand charge.
   3. Energy Charge. The energy charge shall be as follows:
      $0.1523 per kilowatt-hour for all kilowatt-hours
   4. Minimum Charge. The minimum net monthly charge shall be the net monthly customer charge.
   5. Gross Charge. The gross charge shall be ten percent more than the sum of the net customer charge and the net energy charge for the billing period.

   (Ord. 2012-M-15 § 3; Ord. 2011-M-20 § 3; Ord. 2010-M-31 § 3.)

C. General Requirements.
   1. The customer's wiring shall be so arranged that all service hereunder may be supplied through a single metering installation adequate for a normal load equal to the maximum thirty (30) minute demand of the customer at a power factor of eighty-five percent (85%) lagging.
   2. Lighting Demand Limitation. All outdoor sports lighting served under this rate will be equipped with lock-out controls that do not allow lighting use from 9 a.m. to 6 p.m. in any given day. Controls must be locked and provide for electric utility verification. Any lighting use during the above noted hours or at times that the lock-out controls are not present or not functional will be billed under the current rate 5.
   3. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder and shall be subject thereto.
   4. This rate is in effect for all applicable usage after April 30, 2009 and any charges heretofore assessed which are inconsistent with this new rate shall be waived to the extent of the inconsistency.

(Ord. 2010-M-31 § 3; Ord. 2009-M-50 § 1.)

13.08.260 Rate 5 - General service - Rates, Charges, and Service Requirements.

A. Availability. Electrical energy is available under the General Service rate to any customer using the city's electric service for all requirements other than residential service.

B. Charges for this rate shall be as follows:
   1. Monthly Customer Charge. The net monthly customer charge shall be forty-five dollars ($45.00) per meter.
      (Ord. 2012-M-15 § 4; Ord. 2011-M-20 § 4; Ord. 2010-M-31 § 4.)
   2. Power Factor Correction. Customers are required to maintain power factor above .85 lagging. If customer’s metered power factor is below .85 in the current billing cycle, the customer billing demand will be adjusted in the current billing cycle according to the formula: Billing Demand = (1+(.85 – Power Factor)) x metered demand. (See Ord. 2011-M-22.)
      (Ord. 2011-M-24 § 1.)
   3. Demand Charge. The net demand charge shall be as follows:
      $16.35 per kilowatt
      (Ord. 2012-M-15 § 4; Ord. 2011-M-20 § 4; Ord. 2010-M-31 § 4.)
   4. Energy Charge. The energy charge shall be as follows:
      $0.0440 per kilowatt-hour for all kilowatt-hours
      (Ord. 2012-M-15 § 4; Ord. 2011-M-20 § 4; Ord. 2010-M-31 § 4.)
   5. Minimum Charge. The minimum net monthly charge shall be the net monthly customer charge.
   6. Gross Charge. The gross charge shall be ten percent more than the sum of the net customer charge, the net demand and the net energy charge for the billing period.

C. General Requirements.

1. The customer's wiring shall be so arranged that all service hereunder may be supplied through a single metering installation adequate for a normal load equal to the maximum thirty-minute demand of the customer, at a power factor of eighty-five percent lagging. Except in multi-occupancy business premises where each business shall be serviced as an individual customer. Nothing in this rate shall be deemed to preclude a residential occupancy on the customer's property from being served as a separate customer on a residential rate.
2. Measurement of Demand and Kilowatt-hours Supplied. Where two or more metering installations are provided on the customer's premises, the demand in any thirty-minute period shall be determined by adding together the separate demands at each metering installation during such thirty-minute period except that:

   In case the demand at any metering installation is registered by an indicating or cumulative demand meter, the demand at such installation in each thirty-minute period of any month shall be assumed to be the same as the highest demand in any thirty-minute period of the month.

   Where two or more metering installations are provided on the customer's premises and are for the same customer, and if one or more installation qualifies for rate 5 and one or more installations qualifies for rate 7 then the metering installation readings shall be combined and billed at rate 7.
3. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder shall be subject thereto.

(Ord. 2010-M-31 § 4; Ord. 2009-M-22 § 3; Ord. 2008-M-32 § 3; Ord. 2007-M-38 § 3; Ord. 2005-M-20 § 3; Ord. 2002-M-29 § 3; Ord. 2001-M-30 § 3; Ord. 2000-M-69 § 3; Ord. 1996-M-77 § 1; Ord. 1995-M-23 § 1; Ord. 1991-M-19 § 1; Ord. 1990-M-46 § 1; Ord. 1989-M-56 § 1; 1988-M-20 § 1; Ord. 1986-M-82 § 1; Ord. 1983-M-48 § 1 (part); Ord. 1982-M-15 § 1 (part); Ord. 1979-M-31 § 1 (part); Ord. 1977-M-40 § 1 (part); Ord. 1977-M-14 (part); Ord. 1975-M-38 (part); Ord. 1975-M-25 (part): prior code 14.104(E).

13.08.275 Rate 7 - Large General Service - Rates, Charges and Service Requirements.

A. Availability.

1. Electrical energy is available under the Large General Service rate to any customer using the city's electric system for all requirements other than residential service where such customer has a monthly peak kilowatt demand of at least 450 kilowatts during the billing period. Any customer on this rate whose monthly peak demand has not exceeded 450 kilowatts in the preceding twelve billing periods will be billed at the rate described in Section 13.08.260.

B. Charges for this rate shall be as follows:

1. Monthly Customer Charge. The net monthly customer charge shall be one hundred sixty-five dollars ($165.00) per meter.
   (Ord. 2012-M-15 § 5; Ord. 2011-M-20 § 5; Ord. 2010-M-31 § 5.)
2. Power Factor Correction. Customers are required to maintain power factor above .85 lagging. If customer’s metered power factor is below.85 in the current billing cycle, the customer billing demand will be adjusted in the current billing cycle according to the formula: Billing Demand = (1+(.85 – Power Factor)) x metered demand. (See Ord. 2011-M-22.)
   (Ord. 2011-M-24 § 2.)
3. Demand Charge. The net demand charge shall be as follows:
   $16.35 per kilowatt
   (Ord. 2012-M-15 § 5; Ord. 2011-M-20 § 5; Ord. 2010-M-31 § 5.)
4. Energy Charge. The net energy charge shall be as follows:
   $0.0500 per kilowatt-hour On-Peak
   $0.0400 per kilowatt-hour Off-Peak

(Ord. 2012-M-15 § 5; Ord. 2011-M-20 § 5; Ord. 2010-M-31 § 5.)

5. The definition of On-Peak and Off-Peak Periods:
   Energy On-Peak Periods, for purposes hereof, shall be the hours of 9:00 a.m. to 10:00 p.m. on Monday through Friday, except on days on which the following holidays are generally observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and, if one of the foregoing holidays occurs on a Tuesday or Thursday, the immediately preceding Monday or immediately following Friday, respectively. Energy Off-Peak Periods shall be all other hours.

   Demand Peak Periods, for purposes hereof, shall be the hours, 9:00 a.m. to 10:00 p.m. on Monday through Friday, except the holidays designated above. Demand Off-Peak Periods shall be all other hours.
6. Minimum Charge. The net minimum monthly charge shall be the net monthly customer charge.
7. Gross Charge. The gross charge shall be ten percent more than the sum of the net customer charge, net demand charge and net energy charge.
8. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder shall be subject thereto.

C. General Requirements:
   1. The customer's wiring shall be so arranged that all service hereunder may be supplied through a single metering installation adequate for a normal load equal to the maximum thirty-minute demand of the customer, at a power factor of eighty-five percent lagging. Except in multi-occupancy business premises where each business shall be serviced as an individual customer. Nothing in this rate shall be deemed to preclude a residential occupancy on the customer's property from being served as a separate customer on a residential rate.
   2. Measurement of Demand and Kilowatt-hours Supplied. Where two or more metering installations are provided on the customer's premises, the demand in any thirty-minute period shall be determined by adding together the separate demands at each metering installation during such thirty-minute period except that:

      In case the demand at any metering installation is registered by an indicating or cumulative demand meter, the demand at such installation in each thirty-minute period of any month shall be assumed to be the same as the highest demand in any thirty-minute period of such month.

      Where two or more metering installations are provided on the customer's premises and are for the same customer, and if one or more installations qualified for rate 5 one or more installations qualified for rate 7, then the metering installation readings shall be combined and billed at rate 7.
   3. The terms and conditions stated in Sections 13.08.010 through 13.08.210 apply to this rate and service hereunder shall be subject thereto.

(Ord. 2010-M-31 § 5; Ord. 2009-M-22 § 4; Ord. 2008-M-32 § 4; Ord. 2007-M-38 § 4; Ord. 2005-M-20 § 4; Ord. 2002-M-29 § 4; Ord. 2001-M-30 § 4; Ord. 2000-M-69 § 4; Ord. 1996-M-77 § 1; Ord. 1995-M-41 § 1; Ord. 1995-M-23 § 1; Ord. 1991-M-19 § 1; Ord. 1990-M-46 § 1; Ord. 1989-M-56 § 1; 1988-M-20 § 1; 1986-M-82 2 § 1.)

13.08.290 Rate 8 - Municipal Owned Street Lighting and Traffic Signals

A. Availability. This rate is available only to city of St. Charles owned and maintained street lights and traffic signals.

B. Charges for this rate shall be as follows:
   1. Energy Charge.

$0.0600 per kilowatt-hour for all kilowatt-hours
(Ord. 2012-M-15 § 6; Ord. 2011-M-20 § 6; Ord. 2010-M-31 § 6; Ord. 1997-M-20 § 1; Ord. 1997-M-9 § 1; Ord. 1996-M-77 § 1; Ord. 1995-M-23 § 1; Ord. 1994-M-25 § 1.)

13.08.295 Watt-hour Pulse Metering Service

Watt-hour pulse metering will be provided, upon customer's request, for applicable systems, under the following conditions:

A. Customer shall submit request for watt-hour pulse metering in writing, including detailed specifications of the customer's proposed monitoring equipment.
B. Customer shall sign a contract agreeing to participate in Watt-hour Pulse Metering for a period of no less than 18 months.
C. St. Charles Municipal Electric Utility staff will review, at customer's expense, applicability and compatibility of the customer's proposed system with the City equipment. Normal electric engineering rates shall apply for the review and any subsequent work requested. Payment for all engineering work is due within 30 days of the billing regardless of whether the customer installs the system.
D. City will provide an appropriate watt-hour meter or additional equipment within the meter and a single isolation relay, at customer's expense.
E. Customer shall pay $20 per month, or any part of a monthly billing period, per each meter installation, for the delivery of the watt-hour pulses.
F.City shall provide normal maintenance and repair, including lightning damage, of the meter and isolation relay. City material and labor costs shall apply for all other damage to City equipment and shall be billable to the customer.
G. The customer shall be billed for labor and material expended by the City responding to watt-hour pulse metering trouble calls where it is concluded that the City equipment was not malfunctioning.
H. The City shall remove watt-hour pulse metering equipment within 30 days of receipt by City of a written request for discontinuation of watt-hour pulse metering service from the customer. After discontinuation of watt-hour pulse metering service, the customer cannot reapply for watt-hour pulse metering service for 18 months.

(Ord. 2004-M-25 § 1.)

13.08.300 Temporary Customer Connection (TCC)

A. A TEMPORARY CUSTOMER CONNECTION, as defined in Section 13.08.015 (L) will be provided for a CUSTOMER upon application and payment of a TEMPORARY CUSTOMER CONNECTION CHARGE (TCCC) as established by SCMEU on a case by case, IN PLACE COST basis.
B. TEMPORARY CUSTOMER CONNECTIONS for casual uses shall be limited to a maximum of twenty-one (21) days each calendar year for any event, function, or property.

(Ord. 1994-M-65 § 1; Ord. 1993-M-25 § 2; Ord. 1991-M-62 § 1; Ord. 1974-M-10: prior code § 14.104(I).)

13.08.305 Temporary electric service - Deposit.

Deposit shall be charged to any customer at any time such customer makes formal application at the finance office for temporary electric service. The amount shall be equal to the city's most recent cost for the meter or a minimum of $50.
(Ord. 1993-M-25 § 2.)

13.08.310 Penalty for violation – Enforcement authority.

Any person, firm or corporation who violates, disobeys, or refuses to comply with, or who obstructs the enforcement of any of the provisions of this title, shall, upon conviction be fined not less than twenty-

five dollars nor more than five hundred dollars for each offense and a separate offense shall be deemed committed on each day that a violation occurs or continues.
(Ord. 2003-M-99 § 1; Ord. 1991-M-24 § 1; Ord. 1988-M-19 § 2.)

13.08.315 Interconnection Services for on-Site Generation Facilities

St. Charles Municipal Electric Utility (SCMEU) shall make available, upon request, interconnection services to any customer that meets the required guidelines. Interconnection services in this Section refers to on-site generating facilities connected to SCMEU distribution system in a manner that will allow excess electricity generated by the eligible on-site generating facility to be safely delivered onto SCMEU's electric distribution system. Guidelines for interconnecting to the utility system are as follows:

A. Only generating facilities that have been approved by SCMEU shall be interconnected with SCMEU's electric distribution system.
B. Interconnection services shall only be available to premises with aggregated total generation at a single customer premise of less than 1 MW.
C. All interconnections shall comply with IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems (IEEE 1547) as amended from time to time.
D. SCMEU is under no obligation to purchase energy supplied to it under this section. This does not preclude the customer from meeting applicable standards that would allow the customer to supply power onto the utilities system and receive credit for such energy under the Renewable Generation Energy Purchase (RGEP) Policy (set forth in Section 13.08.320).
E. If the customer qualifies under these interconnection standards but does not qualify under the RGEP Policy then any energy delivered to the utility system shall be surrendered to the utility for no value/credit. SCMEU will install, at customer expense, a meter that will not provide any credit for energy delivered to the utility system and the customer will pay any additional costs associated with the meter change.
F. Customers will comply with all other applicable utility standards for interconnection.
G. Capacity of 10kW or less and interconnected to the utility system shall comply with IEEE 1547 Section 5.5, Periodic Interconnection Tests. All interconnection related protective functions, equipment and associated batteries shall be tested at intervals specified by the manufacturer system integrator, or the authority that has jurisdiction over the Distributed Resources interconnection, or all tests shall be performed every three (3) years, whichever is shorter. Periodic test reports shall be maintained and submitted to the SCMEU Engineering Department.
H. Systems of greater than 10kW shall perform all interconnection-related protective functions, equipment and associated battery testing on a yearly basis. All test reports shall be submitted to the SCMEU Engineering Department after completion of the yearly testing.
I. Reports required under Section 13.08.315 paragraphs G. and H., must be submitted within 30 days of the anniversary date of the energizing of the interconnect generation. If the required reports are not received within the 30 day period, the generation must be disconnected until such time as the reports are submitted and accepted.

(Ord. 2009-M-69 § 1.)

13.08.320 Renewable Generation Energy Purchase Policy

St. Charles Municipal Electric Utility (SCMEU) shall make available, upon request, renewable generation energy purchase (RGEP) service to any customer taking service from SCMEU and who meets the requirements set forth in this policy. For purposes of this Section "RGEP" service means service to an electric customer under which electric energy generated by that electric customer from an eligible on-site renewable energy generating facility, owned by that customer and, under some circumstances delivered to the local distribution facilities, may be used to offset electric energy provided by the SCMEU to the electric customer as provided for in this policy. Such service shall be subject to the following provisions:

A. For purposes of this policy an eligible on-site generating facility shall be defined as a renewable generating facility such as a photovoltaic facility or small wind turbines. Other forms of renewable generation, such as sources fueled by landfill methane, fuel cells, or micro turbines fueled by renewable fuels shall be considered on a case-by-case basis. In all cases facilities interconnected must be deemed to be renewable by SCMEU to qualify for this policy.

B. The electric generating facility must also abide by SCMEU Interconnection Standards (13.08.315).

C. Subject to the limitations set forth herein, SCMEU shall make RGEP service available upon request to any SCMEU electric customer with a qualifying generating facility of 10kW capacity or less.

D. Any generating facility greater than 10kW but less than 1MW shall be considered on a case-by-case basis. The decision with respect to such facilities shall be made by SCMEU based upon its contractual obligations, system safety issues and other relevant information.

E. Total RGEP capacity interconnected under this policy for the SCMEU system shall not exceed 2% of the system's peak, as it existed in the prior calendar year. In the event that the system peak is reduced such that the existing net capacity exceeds the 2% level, those existing RGEP customers shall be allowed to continue under this policy. However, no new interconnections will be allowed until such time as the system peak grows such that RGEP capacity is again no greater than 2% of the system's peak.

F. Energy generated by the customer-owned generator will offset the energy required by the customer's load during the billing period. For any energy generated by the customer in excess of the energy required by the customer's loads for a given billing period a credit (as set forth in paragraph G. below) shall be carried forward to the customer's next billing period. In no case shall credits for excess energy be carried forward for a period greater than three billing periods. In the event of termination of an account qualifying for RGEP under this policy, any outstanding credits are surrendered. Under no circumstances will there be payments, or credit transfers for excess energy. Credits shall be for energy only; there is no credit for capacity (demand).

G. Excess energy will be credited based on the wholesale cost SCMEU pays. For customers served under residential Rate 1, small general service Rate 3, and Governmental Outdoor Sports Lighting Rate 6, the credit will be determined by the average wholesale cost per kilowatt-hour paid by SCMEU to our energy supplier in the previous fiscal year. The credit for customers served under general service Rate 5 and Industrial Rate 7 will be the kilowatt-hour charge specified in the respective rates set forth in this Chapter for the month in which the credit is earned.

H. Any costs SCMEU incurs associated with the RGEP program, including but not limited to changes in metering, other physical facilities or billing-related costs, shall be borne by the participants in the RGEP program.

(Ord. 2009-M-69 § 2.)

13.08.330 Bidding or Selling of System Demand Response.

A. General prohibition against bidding or selling system demand response. Except as provided in subsection B of this section, the customers of the SCMEU are hereby restricted and precluded from bidding or selling demand response into any organized electric or ancillary services markets operated or administered by PJM (or any successor independent system operator or regional transmission organization) or otherwise participating in such markets with any demand response resources whether directly or through a third-party aggregator.

B. Exception to general prohibition. Notwithstanding the general prohibition stated in subsection A, above, the SCMEU, acting with and through its power supplier, Illinois Municipal Electric Agency (IMEA), is hereby approved, authorized and permitted to operate as a Curtailment Service Provider with respect to demand response resources within the City's municipal electric utility system, including any generation owned by the City, and to offer and sell such demand response resources into programs and markets of PJM Interconnection, L.L.C. or its duly authorized successor.

Participation shall be subject to the terms and conditions of the IMEA's Demand Response Program, a copy of which is attached as Appendix A, as such program is amended by the IMEA from time to time.

C. All costs incurred by the SCMEU for implementation and continued operation of the Demand Response Program will be the direct responsibility of the customer. Costs will be billed to the customer at the time the expense is incurred. These costs include the cost of metering equipment, monitoring equipment, communication devices, communication services, extra meter reading (if required), maintenance of equipment, equipment replacement, billing expense and any other additional costs directly or indirectly related to this program. Charges include cost for equipment, labor or both.

(Ord. 2011-M-7 § 3.)

APPENDIX A

ILLINOIS MUNICIPAL ELECTRIC AGENCY
DEMAND RESPONSE PROGRAM

1. **Policy Statement**. The Illinois Municipal Electric Agency ("IMEA" or "Agency") hereby declares its intention to cooperate with Participating Members to further the State of Illinois and National policies in favor of utilizing demand response resources.

2. **Purpose**. The purpose of the Agency's Demand Response Program is to provide appropriate incentives for end user customers who have demand response resources on the distribution systems of IMEA Participating Members and other purchasers from IMEA (hereinafter and for purposes of this Program the term "Participating Member(s)" shall be deemed to include non-member entities purchasing their full requirements from IMEA) to use those resources to help reduce the need for capacity and energy during times when it would be economical or beneficial to the national/regional transmission grid to reduce load. A demand response resource is broadly defined as the ability to reduce load when directed (either through the running of end user customer owned/controlled generation or through interruption of electric supply to specific equipment and/or processes that consume electricity). The incentive provided under this Program is the ability to participate indirectly through IMEA in certain of the demand response programs offered by the Regional Transmission Organization ("RTO") and share revenues realized from such participation. Such participation by the end user customer would be through the Participating Member serving the end user customer with electricity and through the Agency. The Agency is not at this time able to offer indirect participation in all of the demand response programs offered by the RTOs. In addition, the demand response program offerings of the two RTOs available to IMEA alternatively by geographic location are not the same, and their rules, regulations and business practices differ even for similar programs.

3. **Availability**. Subject to the qualifications set forth herein, this Program is available to Participating Members who have a Power Sales Contract with the Agency in full force and effect and whose service areas are geographically located within the footprint of a Regional Transmission Organization ("RTO") that has one or more programs that allow for participation by end user customer demand response resources.

4. **Applicability**. This program is applicable in connection with electric service provided by the Agency to Participating Members for meeting the requirements of certain of the Participating Member's retail end user customers that meet the qualifications and approval requirements set forth herein. Power Sales Rate Schedule B remains applicable to electric service for all requirements for municipal use and redistribution to retail customers purchased in accordance with the provisions of the Power Sales Contract, other than those requirements purchased under Schedules B-2, B-4, and B-6.

   Applicability to Participating Member Retail Load. Participating Members have an obligation under their Power Sales Contracts to purchase all of their electric requirements from IMEA. However, Participating Members also have municipally-owned and operated structures and facilities (such as municipal buildings and sewer and water facilities) that use electricity provided through the Power Sales Contract at retail, and for such a retail electric load the Participating Member is its own retail end user customer. The following exception is designed to balance those competing interests. To the extent that an individual Participating Member can demonstrate that it has demand response resources directly connected to retail electric load and not designed or used as part of the Participating

Member's electric utility, it may be considered for inclusion under this Program under the same terms as conditions as other demand response resources; provided however, no single generating unit of a Participating Member with a nameplate kilowatt (kW) rating larger than 500 kW shall be eligible for inclusion under this Program. The Agency may contract separately with a Participating Member that has such a unit or that has non-dedicated generating units as part of its utility operation on different terms and conditions acceptable to the President & CEO.

5. **Application and Approval Process**. The Participating Member must apply to the Agency for approval of each end user customer demand response resource that it wishes to place in the program for each applicable delivery year. Such application must contain all required information for the Agency to determine if the end user customer demand response resource meets the qualifications to be registered through the Agency in the RTO program and must be submitted no later than 10 business days prior to any applicable deadlines (whether imposed by the RTO or the owner of the transmission system) for submission of the registration application for any delivery year. The Agency will advise interested Participating Members of such deadlines upon request. No end user customer shall have its demand response resources included in the program unless participation is approved by the Agency and by the RTO. Preliminary approval by the Agency shall be based on a determination by the Agency that the demand response resources meet the qualifications of this Program and to be registered through the Agency in the RTO program. If the Agency preliminarily approves the application, the demand response resources will be offered for registration with the RTO. If the RTO approves the demand response resource for participation in its program, the Agency's preliminary approval will become a final approval.

6. **End User Customer Qualifications**.
   (a) **Maximum Capacity Resources**. IMEA's ability to receive credit for demand response resources with respect to an individual Participating Member's distribution system(s) is limited by the peak load of the distribution system or physical subparts of the distribution system that have load restrictions. A number of Participating Members own and operate generation that is connected to their distribution systems behind the meter, and most of this generation is dedicated to the Agency for its dispatch and use to satisfy capacity obligations. To participate in the program, the demand response resource must be located in and connected to a Participating Member distribution system that has sufficient available capacity obligation such that the Agency can receive credit from the RTO for the resources. Generation dedicated to the Agency shall be counted first to determine if the cap for maximum capacity resources has been met or exceeded. Other applications for participation by demand response resources shall be considered on a first come first serve basis provided all other qualifications are met.
   (b) **Minimum Resource Requirement**. To participate in the program, the demand response resource must be capable of reducing at least 100 kW of load.
   (c) **Uncommitted Resource**. To participate in the program, the demand response resource must not be committed by contract or otherwise to any other program that would be in conflict with IMEA's use of the resources when called upon.
   (d) **RERRA Authorization**. Federal Energy Regulatory Commission ("FERC") Order 719-A prohibits RTOs from accepting bids of demand response resources from within small utilities unless the Relevant Electric Retail Regulatory Authority ("RERRA") expressly authorizes such participation. The cut off for a small utility is that it distributed 4 million MWh or less during the previous year. All of IMEA's Participating Members currently fall within the 4 million MWh or less category. To participate in the program, the demand response resource must be located in and connected to a Participating Member distribution system where the RERRA has specifically authorized by appropriate action the participation of demand response resources

under its jurisdiction in such a program. The individual Participating Member that is a purchaser from the Agency is the RERRA for its customers. IMEA can provide a sample Ordinance or Resolution upon request for any Participating Member to satisfy this requirement.

(e) **Any end user customer** intending to run generating units in support of local load for the purpose of participating in the program must represent in writing to the Participating Member and the Agency that the end user customer holds all applicable environmental and use permits for running those generators. Participation in the program (including any continuation thereof throughout the Delivery Year or in future periods) will be deemed as a continuing representation by the owner of the generating units that each time its generating units are run in accordance with the program it is being run in compliance with all applicable permits, including any emissions, run-time limits or other constraint on plant operations that may be imposed by such permits. The end user customer shall be and remain responsible for all its costs associated with environmental and other laws and its compliance with the foregoing permits, including but not limited to all fines and penalties.

(f) **The Participating Member** or the end user customer shall be required to have appropriate metering equipment installed at the end user customer generation or otherwise for non-generation demand response resources such that the Agency will be able to measure the load reduction on an integrated hourly basis. The metering equipment must meet the RTO's metering requirements. The cost of the metering equipment shall be paid by the end user customer or the Participating Member and will not be reimbursed by the Agency.

(g) **The end user customer** shall be required to have installed and/or to grant IMEA all required license, access and permission to come on its premises during all necessary times to maintain appropriate communications equipment and communications service so that IMEA may monitor the generation or load reduction in real time, and the end user customer shall be required to have at all relevant times under the program the ability to be capable of receiving notification from IMEA (upon IMEA's receipt of notification from the RTO) to participate during emergency conditions.

(h) **The end user customer** shall commit in writing to the Agency to provide IMEA with all information reasonably requested by IMEA or necessary for IMEA to comply with the rules, regulations, business practices and any other requirements of the RTO in connection with the RTO programs.

(i) **The end user customer** must commit in writing to the Agency to comply in a timely manner with any and all testing or other verification requirements imposed by the RTO with respect to the demand response resources.

(j) **The end user customer** must commit in writing to the Agency to run its generation or otherwise reduce load (for non-generation demand response resources) up to the level placed into the program upon notification to do so under the program, and the Participating Member or the end user customer shall be required to make a commitment in writing to the Agency to pay any penalties imposed by the RTO for failure to comply with directions for load reduction.

7. **Program Operations**. The requirements of the program for each demand response resource shall be determined by the appropriate tariff, contract, business manual or other appropriate controlling document of the RTO for the RTO program within which the resource is placed.

For example, under the PJM ILR Program, the demand response resource would need to be available to be called upon for up to ten events throughout the program delivery year (June 1 of the appropriate calendar year through May 31 of the following calendar year) and would need to be able to respond and come up to full capacity commitment within one hour of notification. Each event would be limited to six consecutive hours between 12:00 PM and 8:00 PM (Eastern Prevailing Time) for the

months of May through September and between 2:00 PM and 10:00 PM for the months of October through April on weekdays other than PJM holidays. IMEA would be paid a fixed capacity payment by PJM for the demand response resources placed into the PJM program based on the auction price. If a demand response resource participating in the PJM program is unable to respond to an event that occurs during the summer months, there would be a penalty from PJM and a corresponding reduction or reimbursement of the capacity payment associated with such resource under this IMEA program.

If IMEA Staff determines in the discretion of the President & CEO that it can put demand response resources into a particular program of an RTO, IMEA will take necessary steps to offer that opportunity to Participating Members and the demand response resources of their end user customers. The operating requirements would be based on the operating requirements of the RTO for such program or parts thereof, which may differ from the operating procedures of other RTO programs.

The end-user customer shall abide by its commitment to provide IMEA with all information necessary for IMEA to comply with the rules, regulations, business practices and any other requirements of the RTO in connection with the RTO's programs. The end user customer shall abide by its commitment to run generation or otherwise reduce load (for non-generation demand response resources) up to the level placed into the program upon notification to do so under the program.

8. **Verification and Testing.** The participating Member shall read the metering equipment associated with the demand response resources on it system promptly upon any program event where load reduction is required and shall provide all required information to IMEA in a timely manner so that IMEA may meet the verification requirements of the RTO. The end user customer shall abide by its commitment to have its demand response resources tested in accordance with the RTO's requirements.

9. **Compensation.** Compensation will be made by the Agency to the Participating Member for participation in the program if and only if and to the extent the Agency receives payment or credits from the RTO in connection with the individual demand response resource.

   IMEA shall share the net revenues from the capacity payments under the RTO program with the Participating Member on a 50/50 basis. The amount which the Participating Members shares with the end user customer would be a matter to be determined by the Participating Member and the end user customer.

   For example, under the currently existing PJM ILR Program, IMEA would be paid a fixed capacity payment by PJM for the demand response resources placed into the PJM program based on the auction price. If demand response resources participating in the PJM program are unable or the end user customer otherwise is unwilling or fails to respond to an event that occurs during the summer months, there would be a penalty from PJM which would be subtracted out of any compensation associated with such resources, and if the monthly payment is not sufficient to cover the penalty the remainder of the penalty shall be billed to the Participating Member.

   IMEA would not reimburse the Participating Member for the end user customer's cost of fuel for any generation runs required as a result of participation in the program and would not make any generation payment in connection with any generation runs required as a result of participation in the program, provided however any energy produced by the running of generation shall not be added back to the Participating Member's invoice for power purchased under the Power Sales Contract.

Compensation shall be in the form of either direct payment to the Participating Member or through credits on the Participating Member's invoice for power purchased under its Power Sales Contract. Such credits shall be paid as payments are received by IMEA from the RTO.

10. **Penalties.** IMEA shall not be responsible for any penalty imposed by the RTO for the failure to respond by the end user customer's demand response resources. The Participating Member or the end user customer shall be responsible to pay any penalties imposed by the RTO. If demand response resources participating in an RTO program are unable or the end user customer otherwise is unwilling or fails to respond to an event and a penalty is imposed on IMEA, the penalty shall be billed to the Participating Member by IMEA. The manner in which the Participating Member would recover the penalty from the end user customer would be a matter to be determined by the Participating Member.

(Ord. 2011-M-7 § 3.)