

ELECTRIC ECONOMIC DEVELOPMENT INCENTIVE RATE Page 1 of 4

Section 1 – Availability

This rate is available to customers who (1) have submitted an application for this rate prior to beginning the project which meets the requirements of this rate, (2) are currently served under or will be served under BMU's Large General Service, Large Power Service, Large Industrial Service, or Large Industrial Service >5MW electric service rates, (3) receive local, regional, or state governmental economic development incentives in conjunction with the project generating the compliant load growth, and (4) are not receiving electric service under any other economic development or special incentive rate.

Section 2 – Character of Service

BMU will specify and provide a standard single and/or three phase alternating current secondary service voltage.

Section 3 – Application

To single phase or three phase service for all large commercial Qualifying Load served solely by BMU. Qualifying load shall be the incremental load of a new customer at a single premises or incremental load added by an existing customer at a single premises. Should the existing customer remove some existing BMU load and add the new load, the net added load shall be the incremental load used as the determination for a Qualifying Load. In addition, the incremental load must meet the following requirements:

1) For a new customer, the Average Demand of the customer's incremental load is equal to or greater than 300 kw during each Contract Year of this Rate's application.

2) For an existing customer, the Average Demand of the customer's incremental load is equal to or greater than 150 kw during each Contract Year of this Rate's application.

3) The Average Load Factor of the customer's incremental load is equal to or greater than 55% during each Contract Year of this Rate's application.

4) The incremental load must be metered separately.

BMU may deny service under this rate to any customer that is not reasonably projected to meet the requirements and may terminate any service under this rate if the requirements are not maintained by the customer. BMU may deny service under this rate if BMU's current system capacities cannot supply the customer's projected incremental load.

Section 4 – Rate

Contract Year 1 - \$0.035 per kWh

Contract year 2 - \$0.035 per kWh

Contract year 3 – 60% of applicable rate

Contract year 4 – 60% of applicable rate

Contract year 5 – 60% of applicable rate

Minimum Charge:

In Contract years 3-5, the monthly minimum charge will be the Facilities Charge plus the monthly Billing Demand Charge. This schedule contemplates year around service with at least a minimum bill paid each month of the contract year. The amount of these charges will be determined by the rates listed in the service rate that applies to the customer.

Section 5 – Payment

Bills are rendered monthly and are due and payable within 10 days from the date of billing. Any monthly bills not paid by the 20th of the month shall be assessed a 5% add-on penalty charge and be subject to disconnection. The customer, in order to be reconnected, must pay all bills for electric service together with any applicable reconnection charges.

Section 6 – General

Customer is required to provide (1) verification from the local, regional, or state governmental entity that they are currently receiving economic development incentives in conjunction with the incremental load that is being added and (2) description of the incremental load demand and load factor which, in the case of eliminating existing load on the BMU system, includes a description of the load being eliminated and the load being added to determine the net load added.

Customers receiving service under this rate schedule are required to submit an application and sign a contract with the BMU specifying the nature of the service to be provided, the applicable BMU rate and any discounts applied to the rate, the projected demand (kw) and load factor (%) of the net incremental load, the term of the Agreement, and such other terms and conditions as are determined to be necessary and mutually agreeable. No discount will be provided without an executed Agreement. Discount will only be applied to an operating facility capable of meeting the projected demand (kw) and load factor (%) and does not apply during any construction of such facility.

As far as practical, all energy delivered under this rate schedule should pass through one point of delivery and the BMU, at its option, may meter at primary voltage.

Power sold to the Customer under this rate shall not be resold or shared with another entity or facility. Should a facility in a current Agreement under this rate be sold or otherwise change ownership, the BMU retains the right to approve or deny the transfer of the remainder of the Agreement to the new owner.

Maximum term for an agreement is five (5) years. Shorter terms may be negotiated. Any use and effect of Distributed Generation should be included in the initial application. No Distributed Generation that changes the original demand and load factor projections may be added during the term of the Agreement. No service under this rate will be offered past 12/31/23. Service existing under this rate as of 12/31/23 will continue to either the end of the term or until terminated under conditions listed herein. Beginning at the end of the second year of the Agreement and annually for the remainder of the Agreement, the Customer's Average Demand and Load Factor will be evaluated for compliance with the requirements of the Agreement. Force Majeure conditions may be considered in this evaluation, but it is the Customer's responsibility to report or confirm such conditions with the BMU prior to the annual evaluation.

BMU shall terminate service under this rate if (1) the Customer fails to meet the demand or load factor minimum requirements, (2) any terms of this rate or the associated Agreement are determined to be unlawful, (3) if during the term of the agreement, changes in federal law, state law, or other authorized regulatory requirements allow the Customer, in part or in total, to take electric service from a provider other than the BMU or (4) the Customer adds Distributed Generation to a degree that their demand and load factor no longer meet the levels listed on the original application. Customer will be given written notice of such termination.

Customer may terminate service under this rate upon written notice to BMU.

BMU shall terminate this rate on the billing cycle following the billing cycle in which notice was given.

Section 7 – Definitions

Agreement – The Economic Development Incentive Rate Agreement between BMU and the customer

Average Demand – The average of the Contract Year (12 months) demand values.

Average Load Factor – One Hundred (100) times the Contract Year (12 months) energy usage divided by the product of the Average Demand and 8,760. $[100 * (\text{Contract Year energy usage}) / (\text{Average Demand} \times 8,760)]$

Contract Year – Begins with the first full billing period after execution of the Agreement and is comprised of the 12 consecutive billing periods for the ensuing 12-month period.

Incremental Load – Customer load which is added to the system of BMU at either a new or existing premises in the BMU electric service area.

Qualifying Load – Customer load that meets the requirements of the Economic Development Incentive Rate.

Premises – A service address identified by number and street address

Section 8 – Power Factor

This Section will apply beginning in Year 3 of the Agreement

BMU will install a suitable demand meter for determining the monthly maximum indicated demand. The Customer will at all times maintain a power factor of not less than eighty-five percent (85%) lagging. If the power factor is less than 85% and the customer does not expeditiously take corrective action, the BMU shall adjust the Customer's billed demand in accordance with the following formula:

Bill Demand (kw) = Actual Demand (kw) x (0.85 / Actual Power Factor)

Continued failure to maintain an 85% power factor may result in discontinuance of service to the customer until such time the customer installs suitable devices to bring the power factor up to 85%, or higher, or BMU may install necessary corrective equipment on its lines to improve the customer's power factor to at least 85% and will charge the customer for the total installed cost for same (including material, labor, and overhead costs).

Date Approved 1/6/2020

Date Effective March 1, 2020



**Mayor
City of Sikeston**



**Chairman
Board of Municipal Utilities**

THIS BILL AS APPROVED SHALL BECOME ORDINANCE NUMBER 6176 AND SHALL ESTABLISH TITLE VII, CHAPTER 706 ECONOMIC DEVELOPMENT INCENTIVE RATE OF THE CITY CODE OF THE CITY OF SIKESTON, MISSOURI.

WHEREAS, the State of Missouri passed legislation in 2018 that directed Missouri's Investor Owned Utilities to provide an economic development incentive rate (electric) to help entice business to locate or expand in Missouri, and

WHEREAS, the BMU Board approved a similar incentive rate for application in the City of Sikeston with the intention that Sikeston remain competitive with other areas of the State.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SIKESTON, MISSOURI AS FOLLOWS:

SECTION I: This Ordinance shall be codified in Chapter 706 of the Sikeston Municipal Code.

SECTION II: Chapter 706, Section 706.010 is hereby established and shall read as follows:

Section 706.010. Availability.

This rate is available to customers who (1) have submitted an application for this rate prior to beginning the project which meets the requirements of this rate, (2) are currently served under or will be served under BMU's Large General Service, Large Power Service, Large Industrial Service, or Large Industrial Service >5MW electric service rates, (3) receive local, regional, or state governmental economic development incentives in conjunction with the project generating the compliant load growth, and (4) are not receiving electric service under any other economic development or special incentive rate.

SECTION III: Section 706.020 is hereby established and shall read as follows:

Section 706.020. Character of Service.

BMU will specify and provide a standard single and/or three phase alternating current secondary service voltage.

SECTION IV: Section 706.030 is hereby established and shall read as follows:

Section 706.030. Application.

To single phase or three phase service for all large commercial Qualifying Load served solely by BMU. Qualifying load shall be the incremental load of a new customer at a single premises or incremental load added by an existing customer at a single premises. Should the existing customer remove some existing BMU load and add the new load, the net added load shall be the incremental load used as the determination for a Qualifying Load. In addition, the incremental load must meet the following requirements:

- 1) For a new customer, the Average Demand of the customer's incremental load is equal to or greater than 300 kw during each Contract Year of this Rate's application.
- 2) For an existing customer, the Average Demand of the customer's incremental load is equal to or greater than 150 kw during each Contract Year of this Rate's application.
- 3) The Average Load Factor of the customer's incremental load is equal to or greater than 55% during each Contract Year of this Rate's application.
- 4) The incremental load must be metered separately.

BMU may deny service under this rate to any customer that is not reasonably projected to meet the requirements and may terminate any service under this rate if the requirements are not maintained by the customer. BMU may deny service under this rate if BMU's current system capacities cannot supply the customer's projected incremental load.

SECTION V: Section 706.040 is hereby established and shall read as follows:

Section 706.040. Rate.

Contract Year 1 - \$0.035 per kWh
Contract year 2 - \$0.035 per kWh
Contract year 3 - 60% of applicable rate

Contract year 4 – 60% of applicable rate
Contract year 5 – 60% of applicable rate

Minimum Charge: In Contract years 3-5, the monthly minimum charge will be the Facilities Charge plus the monthly Billing Demand Charge. This schedule contemplates year around service with at least a minimum bill paid each month of the contract year. The amount of these charges will be determined by the rates listed in the service rate that applies to the customer.

SECTION VI: Section 706.050 is hereby established and shall read as follows:

Section 706.050. Payment.

Bills are rendered monthly and are due and payable within 10 days from the date of billing. Any monthly bills not paid by the 20th of the month shall be assessed a 5% add-on penalty charge and be subject to disconnection. The customer, in order to be reconnected, must pay all bills for electric service together with any applicable reconnection charges.

SECTION VII. Section 706.060 is hereby established and shall read as follows:

Section 706.060. General.

Customer is required to provide (1) verification from the local, regional, or state governmental entity that they are currently receiving economic development incentives in conjunction with the incremental load that is being added and (2) description of the incremental load demand and load factor which, in the case of eliminating existing load on the BMU system, includes a description of the load being eliminated and the load being added to determine the net load added.

Customers receiving service under this rate schedule are required to submit an application and sign a contract with the BMU specifying the nature of the service to be provided, the applicable BMU rate and any discounts applied to the rate, the projected demand (kw) and load factor (%) of the net incremental load, the term of the Agreement, and such other terms and conditions as are determined to be necessary and mutually agreeable. No discount will be provided without an executed Agreement. Discount will only be applied to an operating facility capable of meeting the projected demand (kw) and load factor (%) and does not apply during any construction of such facility.

As far as practical, all energy delivered under this rate schedule should pass through one point of delivery and the BMU, at its option, may meter at primary voltage.

Power sold to the Customer under this rate shall not be resold or shared with another entity or facility. Should a facility in a current Agreement under this rate be sold or otherwise change ownership, the BMU retains the right to approve or deny the transfer of the remainder of the Agreement to the new owner.

Maximum term for an agreement is five (5) years. Shorter terms may be negotiated. Any use and effect of Distributed Generation should be included in the initial application. No Distributed Generation that changes the original demand and load factor projections may be added during the term of the Agreement. No service under this rate will be offered past 12/31/23. Service existing under this rate as of 12/31/23 will continue to either the end of the term or until terminated under conditions listed herein. Beginning at the end of the second year of the Agreement and annually for the remainder of the Agreement, the Customer's Average Demand and Load Factor will be evaluated for compliance with the requirements of the Agreement. Force Majeure conditions may be considered in this evaluation, but it is the Customer's responsibility to report or confirm such conditions with the BMU prior to the annual evaluation.

BMU shall terminate service under this rate if (1) the Customer fails to meet the demand or load factor minimum requirements, (2) any terms of this rate or the associated Agreement are determined to be unlawful, (3) if during the term of the agreement, changes in federal law, state law, or other authorized regulatory requirements allow the Customer, in part or in total, to take electric service from a provider other than the BMU or (4) the Customer adds Distributed Generation to a degree that their demand and load factor no longer meet the levels listed on the original application. Customer will be given written notice of such termination.

Customer may terminate service under this rate upon written notice to BMU.

BMU shall terminate this rate on the billing cycle following the billing cycle in which notice was given.

SECTION VII. Section 706.070 is hereby established and shall read as follows:

Section 706.070. Definitions.

Agreement – The Economic Development Incentive Rate Agreement between BMU and the customer
Average Demand – The average of the Contract Year (12 months) demand values.
Average Load Factor – One Hundred (100) times the Contract Year (12 months) energy usage divided by the product of the Average Demand and 8,760. [100 * (Contract Year energy usage) / (Average Demand x 8,760)]

Contract Year – Begins with the first full billing period after execution of the Agreement and is comprised of the 12 consecutive billing periods for the ensuing 12-month period.

Incremental Load – Customer load which is added to the system of BMU at either a new or existing premises in the BMU electric service area.

Qualifying Load – Customer load that meets the requirements of the Economic Development Incentive Rate:

Premises – A service address identified by number and street address.

SECTION VII. Section 706.080 is hereby established and shall read as follows:

Section 706.080. Power Factor.

This Section will apply beginning in Year 3 of the Agreement
BMU will install a suitable demand meter for determining the monthly maximum indicated demand. The Customer will at all times maintain a power factor of not less than eighty-five percent (85%) lagging. If the power factor is less than 85% and the customer does not expeditiously take corrective action, the BMU shall adjust the Customer's billed demand in accordance with the following formula:

$$\text{Bill Demand (kw)} = \text{Actual Demand (kw)} \times (0.85 / \text{Actual Power Factor})$$

Continued failure to maintain an 85% power factor may result in discontinuance of service to the customer until such time the customer installs suitable devices to bring the power factor up to 85%, or higher, or BMU may install necessary corrective equipment on its lines to improve the customer's power factor to at least 85% and will charge the customer for the total installed cost for same (including material, labor, and overhead costs).

SECTION VIII: General Repealer Section: Any ordinance or parts thereof inconsistent herewith are hereby repealed.

SECTION IX: Severability: Should any part or parts of this ordinance be found or held to be invalid by any court of competent jurisdiction, then the remaining part or parts shall be severable and shall continue in full force and effect.

SECTION X: Record of Passage:

A. Bill Number 6176 was introduced and read the first time this 2nd day of December 2019.

B. Bill Number 6176 was read the second time and discussed this 6th day of January, 2020, and voted as follows:

Self Aye, Williams Aye, Evans Aye, Merideth Aye,

Settles Aye, Sparks Aye, and Burch Aye,

thereby being approved,

and becoming Ordinance 6176.

C. Ordinance 6176 shall be in full force and effect from and after February 5, 2020.



Steven Burch, Mayor



Approved as to form
Tabatha Thurman, City Counselor

Seal / Attest:



Carroll Couch, City Clerk