

City of Niles Utilities Department
Niles, Michigan

Schedule of Electric Rate & Terms
for
Large Industrial Power Plant

Effective on and after September 27, 2021

**RATE 5: LARGE INDUSTRIAL POWER PLANT-CITY
AVAILABILITY**

Available for all applicable services.

RATE

			<u>Code</u>
Monthly Customer Charge:	1	\$1,000.00	()
Power Supply and Transmission Charges	2	Pass-Through [see below]	()
Administrative Fee	3	5.0% on #1 and #2	() ()
PILOT Fee	4	10.0% on #1-#3	()

2. POWER SUPPLY AND TRANSMISSION CHARGES

Includes but not limited to the following:

- a. Energy
- b. Transmission*
- c. Capacity**
- d. Ancillary Services
- e. Other costs related to purchase and delivery of power, including all PJM Billing Line Items (BLI's) assessed to City at the customer's interconnection point.

*** TRANSMISSION SERVICE**

Customer will be responsible for all PJM Transmission Service charges attributable to Customer power plant's consumption of station power under PJM's Billed Network Integration Transmission Service Charge Attributed to Customer, based on the actual costs of Customer's service billed to the City:

- o Customer will be responsible for all PJM charges attributable to Customer's contribution to City's Network Service Peak Load (NSPL).
- o Customer's NSPL contribution equals its metered load during the single day/hour of the AEP Transmission Zone peak November 1 – October 31, grossed up for AEP Transmission Losses (*currently* multiplied by 1.0341).

- Customer's NSPL contribution creates a liability for the City for the following Calendar Year (CY) at the NITS rate(s) effective in the AEP Transmission Zone during the CY.
- The current AEP Schedule 9 NITS rate is \$110,857.47/MW-year (equivalent to \$9,238.12/MW-month).
- The City's charges from PJM charged to Customer are as outlined above and set forth via formula as follows:
 - PJM Billing Line Item (BLI) 1100 Network Integration Transmission Service = Metered Usage * 1.0341 * Daily Zonal Scaling Factor * AEP Schedule 9 NITS rate)
- NITS charges are calculated by PJM daily and invoiced weekly; MPPA invoices the City weekly. Customer will be responsible for invoiced amount.

**** LOCATIONAL RELIABILITY (CAPACITY)**

- Customer will be responsible for all PJM charges attributable to Customer's contribution to City's Obligation Peak Load (OPL).
- Customer's OPL contribution equals its average metered load during the days and hours when PJM records its five (5) highest peaks June 1 – September 30, referred to as 5CP Days and Hours, grossed up for AEP Transmission Losses (*currently* multiplied by 1.0341).
- Customer's OPL contribution creates a liability for the following Delivery Year (DY, June 1 – May 31).
- The Resource Clearing Price (RCP) for DY 2022/2023 is \$50/MW-day (equivalent to \$18,250/MW-year), and as amended in any subsequent year.
- The actual rate paid by load will be the Final Zonal Capacity Price (ZCP), and will differ from the RCP (e.g., for DY 2022/2023 the AEP Final Zonal Capacity Price is \$50.04867/MW-day v the RCP of \$50), or as established in any subsequent year.
- The City's charges from PJM charged to Customer are as outlined above and set forth via formula as follows::

Unforced Capacity (UCAP) Obligation = OPL * Final Zonal Scaling Factor (ZSF) * Forecast Pool Requirement (FPR)

PJM BLI 1610 Locational Reliability Charge = Daily UCAP Obligation * Weather Normalization Factor * Daily Zonal Scaling Factor * Final Zonal Capacity Price (ZCP)

- Locational Reliability charges are calculated by PJM daily and invoiced weekly; MPPA invoices City weekly. Customer will be responsible for invoiced amount.

SALES TAX

As Applicable

GENERAL TERMS OF SERVICE

Term /Effective Date

- Upon Customer's acceptance of service, Customer shall comply with the terms of Rate 5 to receive electric service from the City. Such compliance shall be maintained throughout receipt of service from the City.

Electric Service Provided

- City's obligation to furnish electric service consistent with Rate 5, and any applicable agreement with the Customer.

Location of Electric Service

- Electric service will be furnished through the applicable substation or electric service location agreed to between the City and Customer. Upon Customer accepting service, Customer acknowledges and accepts that the current electric infrastructure serving the premises is adequate for the scope of electric service provided under Rate 5.

Payment Details/Invoicing/Billing Procedure

- City may invoice Customer weekly, or another frequency not to exceed monthly, which will be paid net 30 days.

Late Payment/Nonpayment

- Interest and penalty terms for late payment or non-payment by Customer will be subject to 1% interest monthly applied to unpaid late balances.
- Failure to pay timely, at the City's election, can provide for water/sewer disconnect.
- Customer acknowledges upon accepting service that law permits non-payment to be a lien against the property.

Customer Deposit:

- Customer shall make and maintain a deposit in the amount of 3 months of the electric service cost under Rate 5 for Station Power including one start-up cycle. The Customer shall make such deposit in the amount and at the

time specified by the City Utilities Manager, City Administrator, or their designee.

Financial Security:

- Customer shall provide a performance bond, letter of credit, or cash deposit (“Financial Security”) approved by the City Utilities Manager, City Administrator, or their designee, in the amount of costs to hold the City harmless from increased transmission and capacity costs that are projected to arise following any calendar year electric supply is furnished to Customer as determined by the City Utilities Manager, City Administrator, or their designee. The City may review the Financial Security periodically and assess the Financial Security any time a change occurs in any of the applicable Transmission Service rates or tariffs. City shall provide notice to Customer of any required adjustments, to which Customer shall provide satisfactory Financial Security within 14 days of the notice.

City Retail Tariffs

- Customer agrees to the City’s standard tariffs. Rate 5 and any specific terms provided herein control over any conflict between Rate 5 and the City’s standard tariffs.

Compliance with State and Federal Law

- Customer shall abide by applicable state and federal laws.

Notice/Termination

- City shall provide written notice detailing noncompliance with Rate 5. Customer shall have 30 days to cure any noncompliance. Should Customer, in good faith, provide sufficient documentation that a remedy reasonably requires more than 30-day cure period and reasonable diligence to pursue such remedy is demonstrated, the City Utilities Manager, City Administrator, or designee may extend the cure period 180 days or as the City and Customer otherwise agree, so long as such cure period does not provide free service in violation of the City Charter or City Code.

Retail Service

- The City does not participate in Michigan’s Electric Customer Choice Program. No other energy retailer or alternative energy supplier is authorized to operate within or upon, the City’s Electric Distribution System nor within the City’s Service Territory.

Force Majeure

- The City’s service is wholly dependent upon the consistent operation and reliability of other utility owned and maintained equipment and infrastructure. Interruptions in service are not the responsibility of the City.

RATE AUTHORITY

Pursuant to Section 7-2 of the City Charter and City Code Sections 90-1 through 90-2, the City Council shall have the power to fix, from time to time, such rates and other charges as may be deemed advisable for supplying the inhabitants of the City and others with such public utility services as the City may provide. The City Council has the duty to establish rates, which will make each utility service self-sustaining including the accumulation and maintenance of adequate reserves. Accordingly, City Council reserves its authority to amend the rate.

| Approved by Council: _____September 27, 2021 Rate 5 Rev 4. Dated
9/15/2021 updated example figures ONLY 9-15-2022