

**CITY UTILITIES OF SPRINGFIELD MISSOURI
OPTIONAL RIDER D
COMMUNITY ECONOMIC DEVELOPMENT**

Applicability

Under this Rider D, City Utilities will provide electric service to a new or existing customer with a new electric load addition of 300 kW (monthly billing demand) or greater, and with an annual load factor of at least 50 percent. A special service contract between the customer and City Utilities is required for billing under Rider D. Customers receiving service under this rider must satisfy billing demand and load factor requirements within two years of commencing service under this rider, and must meet these requirements to continue receiving the discounts provided in this rider. The Board of Public Utilities may choose to waive billing demand and/or load factor requirements of this rider, under special circumstances described in Terms section of this rider.

Availability

Service under this rider shall be available within the corporate limits of the City of Springfield, Missouri, and the adjacent territory served by City Utilities for commercial and industrial customers. The discount for service under this rider shall be applied to charges for service under other applicable electric service rates. Availability is subject to the General Terms and Conditions Governing Electric Service and the Utility Service Rules and Regulations, and applicable policies of the Board of Public Utilities.

Combined Incentive Limitation

The provisions of this rider may be applied either individually or together with allowances defined by the City Utilities Community Economic Development Policy. The maximum combined amount contributed by City Utilities for an economic development project and/or system extension shall not exceed economic requirements of the Community Economic Development Policy. The intent of this clause is to control application of all economic incentive mechanisms to limits consistent with policies approved by the Board of Public Utilities.

Definitions

1. **Annual Load Factor**: The annual load factor applicable to the customer shall be determined by the following relationship:

$$\text{Load Factor: } \frac{\text{Annual Energy (kWh)} / \text{Hours in Year}}{\text{Average Billing Demand (kW)}}$$

2. **Operational Date**: The term "operational date" shall be the date the facility is fully operational as declared by the customer, with agreement by City Utilities.

APPROVED BY CITY COUNCIL January 17, 2012
EFFECTIVE February 1, 2012

APPROVED BY BOARD OF PUBLIC UTILITIES
OF SPRINGFIELD, MO December 1, 2011

New schedule.

3. Average Billing Demand: The sum of monthly electric billing demands or actual demands, whichever is greater for each month, as defined by applicable rate schedules, divided by the number of months. For calculation of annual load factor, the twelve most recent billing demands or actual demands, whichever is greater for each month, are applied, unless fewer than twelve months are available or practical, in which case the most recent available billing demands or actual demands, whichever is greater for each month, shall be applied.
4. Month: The term “month” refers to the billing month as determined by City Utilities.
5. Base Period: The “Base Period” consists of the twelve most recent billing months, unless twelve months are not available or are otherwise determined by City Utilities not to be applicable due to weather or other factors, in which case the “Base Period” will consist of a number of billing months selected by City Utilities.
6. Base Period Demand: The Average Billing Demand for the Base Period.
7. New Load: The term “new load” refers to the amount of load that is added to the City Utilities system after a date defined by contract. For existing establishments, new load is defined as the net incremental load exceeding the Average Billing Demand which existed prior to approval for service.
8. Facilities: The term “facilities” refers to any equipment and/or buildings owned by the customer.

Application Requirements

1. The customer shall provide an application containing sufficiently detailed information to enable City Utilities to determine whether a facility is qualified for Rider D. The application must include a description of the amount and nature of the new load and the basis on which the customer requests qualification.
2. In the application, the customer must affirm that without the Rider D discount, the customer would not have decided to locate the new load on the City Utilities’ system. The intent of this required affirmation is to limit availability of this incentive to new load that otherwise would not occur without this incentive.
3. Requests for service under Rider D will not be accepted for:
 - a. New or expanded facilities under construction, or otherwise committed to operation, prior to the effective date of Rider D.
 - b. A new customer which results from a change in ownership of an existing establishment. However, if a change in ownership occurs after the customer contracts for service under Rider D, the successor customer may be allowed to fulfill the balance of the contract under Rider D.
 - c. Renewal of service following interruptions such as equipment failure, temporary plant shutdown or strike.

Terms

Billing Demand Criteria:

1. The monthly billing demand of the new customer is reasonably projected to be at least 300 kW within two years of receiving service from City Utilities. The monthly billing demand from expansion of facilities is reasonably projected to be at least 300 kW greater than the existing customer's Average Billing Demand within two years of the separately measured facilities expansion. City Utilities reserves the right to request and review all analyses and supporting data, including specific engineering plans, that are submitted to support the eligibility for Rider D. The customer and City Utilities will mutually agree upon a capacity expansion plan to be defined in the contract for service.
2. For new customers utilizing new facilities which result in new load, the Base Period Demand shall be zero. For existing customers who are expanding facilities, the Base Period Demand shall be the average of the monthly demands during the most recent twelve consecutive months of normal and representative usage by the customer prior to application of Rider D. Start-up months when load is being added shall not be included in the Base Period Demand.
3. If a new customer assumes the operation of facilities of an existing customer, the new customer shall be considered an existing customer for purposes of determining the Base Period Demand.
4. In the special case when an existing customer has closed and ceased operations, or has notified state and local officials, employees, and media providers that a closure is imminent, the Base Period Demand for that location may be set to zero, following specific approval by the Board of Public Utilities, in order to provide an economic incentive to a prospective customer considering occupancy of the property. The reasons used in the determination of a zero Base Period Demand will be included in the special service contract. The Board of Public Utilities will consider impacts on employment, utility system utilization, and the competitive economic development environment in their consideration to apply this provision. The Board of Public Utilities will also consider relationships between new and existing customers to prevent possible manipulation of the intent of this provision.
5. Rider D shall continue to be applicable to a customer only if the average monthly demand for the most recent twelve months ending with the current billing month exceeds the Base Period Demand by 300 kW. Billing months before Rider D becomes applicable shall not be included in the twelve month average demand. Monthly demand as used in Rider D is the demand, as defined in City Utilities' applicable rate schedule, established during each monthly billing period. If such condition is not met, then discounts described in Rider D shall not apply.

Load Factor Criterion: The annual load factor of the new customer or from expansion of facilities is reasonably projected to exceed fifty percent within two years of the new customer or additional separately measured facilities commencing service under Rider D. The customer must maintain an annual load factor exceeding fifty percent or greater in years three through five of the contract to continue to be eligible for the incentive provisions.

Metering: City Utilities will determine and install metering equipment necessary to measure the new load to be billed under Rider D for the purpose of separating new load from existing load. City Utilities, at its option, may choose to sub-meter the new load and electronically determine existing and/or new load parameters. If in City Utilities' opinion, the nature of the expansion is such that either separate metering or sub-metering is impractical, City Utilities will determine, based on historical usage or engineering analysis, what portion of the customer's load, if any, qualifies as new load. A summary of the analysis will be included as part of the special contract.

Shifting of Existing Load: For customers with existing locations or service points in City Utilities' service area, Rider D shall not be applicable to services provided at any other service point prior to receiving service under Rider D. A customer is prohibited from shifting loads from existing locations or service points at the same location, to qualify for Rider D or to receive benefits from Rider D.

Term: City Utilities may freeze the availability of Rider D with respect to new loads at any time. Any customer receiving service under Rider D on the date availability is suspended may continue to receive incentive provisions through the remaining period of the customer's contract.

Termination: Failure of the customer to meet or maintain any of the applicable criteria of Rider D, terms of the service contract, may lead to termination of the contract and the application of Rider D. The customer's compliance will be tested each year on the operational date anniversary. If this review determines that the customer is non-compliant, the customer will be notified within thirty days of the operational date anniversary, and discounts described in Rider D will no longer apply on the first bill, and subsequent bills, thirty days after the operational date anniversary.

Additional New Loads: A customer may add additional increments of at least 300 kW in demand. Any such new increment, if it otherwise qualifies under the terms of this rider, shall be dealt with in a separate contract for service.

Waiver of Billing Demand and /or Load Factor Requirements for Special Circumstances: The Board may choose to waive billing demand and/or load factor requirements of this rider, provided that:

1. The customer employs a minimum of one-hundred additional full time equivalent (FTE) employees in the City Utilities service territory. Employment additions must occur within two years following the customer's operational date and the average wage of the new jobs must equal or exceed the Greene County, Missouri average wage (as most recently published by the Missouri Department of Economic Development). For customers making application to expand availability of Rider D under this paragraph, the application shall also specify the total number of FTE employees employed by the customer in all establishments receiving electric service from City Utilities system, at the time of application for Rider D, and on the operational date; and,
2. But for the economic incentive provided by Rider D, the customer would leave, or not locate within City Utilities service territory.

If the Board of Public Utilities chooses to waive the Billing Demand and/or Load Factor criteria specified in this rider, all other terms of Rider D continue to apply.

Monthly Incentive Credit

Credit is determined as a percentage of all otherwise applicable demand charges for all kW of billing demand:

| | | |
|----------------------|-------|-----|
| First Contract Year | | 25% |
| Second Contract Year | | 20% |
| Third Contract Year | | 15% |
| Fourth Contract Year | | 10% |
| Fifth Contract Year | | 5% |
| Sixth Contract Year | | 0% |

APPROVED BY CITY COUNCIL January 17, 2012
EFFECTIVE February 1, 2012

APPROVED BY BOARD OF PUBLIC UTILITIES
OF SPRINGFIELD, MO December 1, 2011

New schedule.