

**CITY UTILITIES OF SPRINGFIELD, MISSOURI
NET METERING AVOIDED VARIABLE COST OF GENERATION
(100 kW OR LESS CAPACITY)**

Applicability

This rate applies to energy received from certain Customer-Generators at the point of interconnection with City Utilities. Specific application is for all services which qualify for net-metering under applicable Missouri statutes and / or Federal regulations. Accredited capacity shall be defined consistent with City Utilities' Electric Interconnections and Net Metering Policy and shall include any accredited capacity from one or more sources as aggregated at one service point of interconnection with City Utilities.

City Utilities shall pay Customer-Generators with an accredited capacity of 100 kilowatts or less for electric energy delivered to City Utilities at the Net Metering Avoided Variable Cost of Generation. Payments shall only be made in accordance with City Utilities' Electric Interconnection and Net Metering Policy. Credits will only be made if the value of the energy supplied by the Customer-Generator exceeds the value of the energy supplied by City Utilities in a month.

This rate is not applicable to applications involving Customer-Generators with an accredited capacity greater than 100 kilowatts.

Net Metering Avoided Variable Cost of Generation

The Net Metering Avoided Variable Cost of Generation is designed upon avoided variable costs of generation projected for the six months it shall be in effect. City Utilities shall project the cost of fuel (coal, natural gas, fuel oil, and purchased energy), fuel handling, pollution control, and transmission expenses required during the six-month period. Semiannually, to be effective either April through September or October through March, City Utilities will compute the Avoided Variable Cost of Generation in accordance with the following formula:

	Projected Fuel Cost Dollars
PLUS:	Projected Fuel Handling Cost Dollars
PLUS:	Projected Pollution Control Cost Dollars
PLUS:	Projected Transmission Expenses
SUBTOTAL:	Variable Costs of Generation
DIVIDED BY:	Projected Kilowatt-Hour Sales
EQUALS:	Avoided Variable Cost of Generation

The Avoided Variable Cost of Generation shall be rounded to the nearest hundredth of a cent and expressed as dollars per kilowatt-hour.

APPROVED BY PRICING DEPARTMENT December 30, 2015
EFFECTIVE Cycle 1, January 2016

Supersedes rate schedule effective Cycle 1, October 2007.

**CITY UTILITIES OF SPRINGFIELD, MISSOURI
NET METERING AVOIDED VARIABLE COST OF GENERATION
(100 kW OR LESS CAPACITY)**

Definitions

As used herein:

1. The term “fuel” shall mean coal, natural gas, fuel oil, and purchased energy.
2. The term “coal” shall mean the dollar cost of coal burned in the generation of electricity. It shall include the cost of freight but shall not include the cost of labor and equipment to unload the coal.
3. The term “natural gas” shall mean the dollar cost of natural gas burned in the generation of electricity.
4. The term “fuel oil” shall mean the dollar cost of fuel oil burned in the generation of electricity at the Main Avenue Power Plant.
5. The term “purchased power” shall mean the dollar cost of electricity purchased by City Utilities for resale. It shall not include any connect or capacity charges.
6. The term “pollution control” shall mean the dollar cost of the Missouri DNR Clean Air Emissions and the published market value of EPA Clean Air Allowances at the time the Avoided Variable Cost of Generation is computed. It shall also include the dollar cost of urea, ammonia, limestone and other pollution control materials.
7. The term “fuel handling” shall mean the dollar cost of fuel handling in the generation of electricity.
8. The term “transmission expenses” shall mean the dollar cost of charges for external transmission.
9. The term “kilowatt-hour sales” shall mean all kilowatt-hours sold for revenue both to system customers and to other utilities. It shall not include nonrevenue sales to the City of Springfield or electricity used by other departments, nor shall it include electricity banked with or sold to the Southwest Power Administration. Sales will be reduced by energy generated by the Noble Hill Landfill Renewable Energy Center.

APPROVED BY PRICING DEPARTMENT December 30, 2015
EFFECTIVE Cycle 1, January 2016

Supersedes rate schedule effective Cycle 1, October 2007.