



City of Rocky Mount Administrative Policy

Policy: Electric Rate Schedule – Electric System Facilities Fee

Section:	Fees and Charges	Policy No. X.7.33
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Approved By:	City Council	
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ELECTRIC SYSTEM FACILITIES FEE SCHEDULE ESFF

Availability

This Schedule is applicable for Interconnection Customers (Generator) proposing to develop a Generating Facility or generating capacity addition to an existing Generating Facility consistent with the City of Rocky Mount Generation Interconnection Request completed by the Interconnection Customer; and desiring to interconnect a Generating Facility with the City of Rocky Mount's Electric System in excess of 100 kW; provided the Interconnection Customer has an executed purchase power agreement with North Carolina Eastern Municipal Power Agency (NCEMPA) prior to final Interconnection.

The Interconnection Customer agrees to pay the City of Rocky Mount an Electric System Facilities Fee (ESFF) consistent with the City of Rocky Mount Interconnection Procedures as follows:

Fee

An Electric System Facilities Fee is required for all entities that connect to City of Rocky Mount's Electric Transmission and/or Distribution system that

exceed 100 kW in nameplate capacity, or at the sole discretion of the City of Rocky Mount. The ESFF is a charge for the use of the City of Rocky Mount's Electric System to distribute power produced by the Generator.

The Electric System Facilities Fee (ESFF) will be charged to the Generator based on kWhs delivered to City's Electric System. The fee will be a load ratio calculation based on the Fixed Charge Rate (FCR). The FCR will be the sum of [(Annual Operations and Maintenance costs / Net Utility Plant (NUP)) + (Depreciation Rate) + (Cost of Capital)]. The Net Utility Plant (NUP) will be multiplied by FCR then divided by the average of the last five years' total Annual Electric kilowatt hours sold by City.

$$\text{ESFF} = \frac{[(\text{O\&M}/\text{NUP}) + (\text{Depreciation Rate}) + (\text{Cost of Capital})] \times \text{NUP}}{\text{kWhs}}$$

Where:

Operations & Maintenance (O&M) is defined as the cost to operate and maintain the Electric Distribution and Transmission System; as determined by the City of Rocky Mount.

Depreciation Rate is defined as the percent decrease in value of the Electric Distribution and Transmission System capital assets; as determined by the City of Rocky Mount.

Utility Plant (UP) is defined as the value of the Electric Distribution and Transmission Systems capital assets being depreciated; as determined by the City of Rocky Mount.

Net Utility Plant (NUP) is defined as the value of the Electric Distribution and Transmission Systems capital assets, less accumulated depreciation for Electric Distribution and Transmission Systems capital assets; as determined by the City of Rocky Mount.

Kilowatt Hours (kWhs) is defined as the average of the last five years total Annual Electric kilowatt hours sold; as determined by the City of Rocky Mount.

General

Service rendered under this Schedule is subject to the provisions of the service regulations of the City.

Amendments

City of Rocky Mount maintains the right to perform a periodic review and amendment of this ESFF to reflect changes in financial data pertaining to the calculation of the Fee; as determined by the City of Rocky Mount.

Sales Tax

North Carolina utility sales tax will be added to charges, as applicable.

Removal of Facilities

If the Generator is not using service or only partially using service, the City may, after notice to the Generator, remove its transformers and other equipment not being used fully and substitute other equipment adequate to serve the Generator.

Contract Period

The contract period shall be consistent with the Generator's Interconnection Agreement.

Liability

The City does not guarantee or warrant continuous electric service, and expressly disclaims any such warranty, express or implied, to provide continuous service. The City shall use reasonable diligence to provide uninterrupted service, and having used reasonable diligence shall not be liable to any consumer for damages for failures in, interruptions of, or suspension of service, including, without limitation, surges. The City reserves the right to suspend service without liability on its part at such time, for such periods, and in such manner as may in its judgment be required for the purpose of making necessary repairs on the lines or other parts of its system.

Power Quality

The Generator agrees that should it create any power quality issues on the City's Electric System, including but not limited to harmonic problems, voltage flickers, or voltage fluctuations that negatively impact the City's Electric System, the Generator will install and maintain proper regulating, controlling and auxiliary apparatus and devices necessary to correct any problems created by Generator's processes or equipment. Should Generator, after notice from the City, fail to correct any problems created by power quality issues, the City may choose to disconnect Generator's facilities from the City of Rocky Mount Electric System.

Electric System Facilities Fee

Calculation Worksheet

(subject to annual change based on CRM's Financial Data)

Date of Calculation: 7/01/2017

Fiscal Year Annual Financial Report: Budget Year Ended June 30, 2016

Financial Data

Operations & Maintenance (O&M): \$2,403,912

Depreciation Rate: 3%

Net Utility Plant: \$35,333,337

Cost of Capital: 2%

Kilowatt Hours (kWhs): 707,225,684

Calculated Fixed Charge Rate (FCR): 11.80%

Calculated Electric System Facilities Fee (ESFF): \$0.00590

$$\begin{aligned} \text{ESFF} &= \frac{[(\$2,403,912/\$35,333,337) + (3\%) + (2\%)] \times \$35,333,337}{707,225,684} \\ &= 0.5900 \text{ ¢/kWh} \end{aligned}$$