

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Resolution Establishing Electric Rate M1

Staff Contact: Blake Toliver Superintendent of Electric Operations

Summary: Staff recommends establishing Rate M1, a market-based rate designed to serve large industrial users. This rate structure will permit qualifying customers to secure power directly through wholesale markets while continuing to utilize Rochelle Municipal Utilities (RMU) as the local provider.

Utility Financial Solutions and IMPA have completed extensive reviews of RMU's cost of service, including NITS charges and capacity costs, to ensure that the proposed rate is competitive while maintaining adequate protection for the utility.

As an additional safeguard, Rate M1 requires participating customers to post a bond, thereby ensuring that the City is not financially liable for any consumption shortfalls or nonperformance by the customer.

Approval of Rate M1 will provide a flexible option for large industrial users while protecting the financial stability of RMU and the community it serves.

(NITS charges are federally regulated fees RMU must pay for its share of the regional transmission grid to ensure reliable delivery of power to our community.)

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
N/A	N/A	N/A

Strategic Plan Goal Application: Financial and Management Stability

Recommendation: Approve a Resolution Establishing Rate M1