



Regional Economic Development, Inc.

Serving Columbia/Boone County, Missouri since 1988

PRESS RELEASE

AVAILABLE ENERGY INCENTIVES BASED ON BEST MARKET PRICES
& POLICY RESOLUTION FOR REIMBURSEMENT
FOR THE COST OF CONSTRUCTING PUBLIC INFRASTRUCTURE IMPROVEMENTS

Contact: Mike Brooks, President
jmbrooks@gocolumbiamo.com
cell phone: 573.355.0643
office phone: 573.442.8303

Date: May 7, 2010

Transmission Service Rates, as ordained by the City Council of Columbia, Missouri take on a very attractive marketing strategy in providing an energy incentive based on the best market energy price, equal to the City's purchase price, for companies requiring 10 or more megawatts of electrical power an hour.

The City is in full support of assisting customers with large energy needs, such as data center operations. Columbia is home to Missouri's First Certified Site, the Ewing Industrial Site. With the excellent redundancy available on site, a company willing to provide the infrastructure necessary to take service at either a sixty-nine (69) kV or one hundred sixty-one (161) kV, could significantly lower its daily cost of doing business by utilizing this incentive.

Another incentive is available, should your company provide the infrastructure necessary to take service at either a sixty-nine (69) kV or hundred sixty-one (161) kV from the City's electric utility. Under the Transmission Service Rate Ordinance, in order to foster economic development, the City may enter into a development agreement that provides for City reimbursement of the Customer's cost of constructing public infrastructure improvements. The reimbursement shall be paid from a portion of the PILOT, not to exceed fifty percent paid by the customer, over a period of time.

Columbia is proud to be home to developers that are motivated to provide high standards and qualified sites for development, and a City Council that supports the attraction of quality corporate citizens.

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302 Campusview Dr, Ste 208

Columbia, MO 65201

www.columbiaredi.com

Phone: 573.442.8303

Fax: 573.443.8834

Department Record
Filed in Clerk's Office

Introduced by Hindman Council Bill No. PR 34-10

A POLICY RESOLUTION

establishing a policy for reimbursing large electric customers for the cost of constructing public infrastructure improvements.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The following definitions apply to this resolution:

"Large electric customer" and "customer" means a person that takes electric service from the City's electric utility under the transmission service rate established in Sec. 27-121.2 of the City Code.

"PILOT" means the payment in lieu of gross receipts tax that an electric utility customer pays as a profit component of the City's electric utility rate.

"Public infrastructure improvement" means any infrastructure improvement to be owned by the City that is constructed by a large electric customer in connection with the establishment of the customer's place of business.

SECTION 2. In order to foster economic development, the City may enter into a development agreement with any new large electric customer that provides for City reimbursement of the customer's cost of constructing public infrastructure improvements. The reimbursement shall be paid from a portion of the PILOT, not to exceed fifty percent (50%), paid by the customer over a period of time.

ADOPTED this 1st day of March, 2010.

ATTEST:

[Signature]
City Clerk

[Signature]
Mayor and Presiding Officer

APPROVED AS TO FORM:

[Signature]
City Counselor

020570
Permanent Record
Filed in Clerk's Office

Introduced by Hindman

First Reading 2-15-10

Second Reading 3-1-10

Ordinance No. 020570

Council Bill No. B 41-10

AN ORDINANCE

amending Chapter 27 of the City Code as it relates to transmission service rates; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 27 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 27-121.2. ~~Sixty-nine kV~~ Transmission service rate.

(a) Availability. Customers that anticipate usage that will exceed ten (10) megawatts of hourly load and that provide the infrastructure necessary to take service at either sixty-nine (69) kV or one hundred sixty-one (161) kV will be placed on the transmission service rate set forth in this section and will be subject to a contract governing delivery of the requested power that is negotiated by the water and light director with final approval by the city council. ~~A sixty-nine kV service rate is available, however, due to the complexity of this type service and the volatility of the electric market, each application will be considered on a case-by-case basis. A contract will be negotiated by the water and light director with final approval by the city council.~~

(b) Application. The transmission service rate shall apply to all electric service for a premises where the service is supplied at one (1) point of delivery and measured through one (1) meter.

(c) Monthly rate charge. The monthly rate per kilowatt hour shall be equal to the actual cost of such energy to the city, based on the following:

- (1) Five (5) megawatt blocks of power purchased twenty-four (24) hours a day, seven (7) days a week for a minimum period agreed to by the customer and city.

(2) Best market energy price as may be available, plus any actual monthly market capacity price that is imposed by any third party energy provider offering energy for sale to the city and customer, plus (or minus) other actual market charges that may apply to transactions in the energy and operating reserve market of the Midwest Independent System Operator (MISO).


(3) Customer must pay for the full amount of all energy requested by customer even if not used, however, every effort will be made by the electric utility to sell excess energy back to the market and provide a credit to the customer.

(d) In lieu of gross receipts tax payments and sales tax. In addition to the charge based on monthly rates, the total monthly charge for service shall include applicable sales taxes and an lieu of gross receipts tax payment equal to 7.5268 percent of the monthly rate charge. Sales taxes shall be applied to the total of the monthly rate charge and the in lieu of gross receipts tax payment.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this 1st day of March, 2010.

ATTEST:

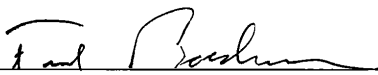


City Clerk



Mayor and Presiding Officer

APPROVED AS TO FORM:



City Counselor