
RIDER FOR PARALLEL GENERATION

TERRITORY

Applicable in all Rate Areas to cogenerators or small power producers rated at 100 kW or less.

APPLICATION

To any customer taking single or three phase service under one of the Company's standard electric rate schedules and who has entered into a contract with the Company for the sale of electricity as a cogenerator or small power producer (Seller) as defined under State or Federal Law.

RATE (Monthly)

The following charges and credits are applicable in addition to all charges for service being taken under Company's standard rate schedule:

- I. Sellers with facilities rated at less than 40 kW shall have the option of selling to Company under either the Net Energy Billing Rate, the Simultaneous Purchase and Sale Rate or the Time-of-Day Purchase Rate. The Rate selected shall be as specified in the Cogeneration and/or Small Power Production Facilities Agreement between Seller and Minnesota Power.

A. Net Energy Billing Rate

Net Energy shall be the difference between all kWh's supplied by the Company to the Seller and those generated by the Seller and fed back into the Company's distribution system as surplus energy during the month. Seller shall be billed on Company's standard applicable rate schedule based on the amount of net energy "to Seller" or based on zero kWh's where the amount of Net Energy is "to Company." In addition, if the amount of Net Energy is "to Seller," Seller shall be subject to the following Service Charge; or, if the amount of Net Energy is "to Company," Seller shall be subject to the following Service Charge and Energy Credit:

Service Charge (Monthly)

\$0.75

Energy Credit

7.58¢ per kWh of Net Energy - Residential Customers

7.91¢ per kWh of Net Energy - General Service Customers

6.20¢per kWh of Net Energy - Large Light & Power Customers

B. Simultaneous Purchase and Sale Rate

The Seller shall be billed for all energy and capacity it consumes during each billing period according to the Company's applicable retail rate schedule. The Company shall purchase all energy and capacity which is made available to it by the Seller. The Seller

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will be subject to the following Service Charge and Energy and Firm Power Capacity Credit:

Service Charge (Monthly)

\$0.75

Energy and Firm Power Capacity Credit

4.67 per kWh delivered to Company during period

C. Time-of-Day Purchase Rate

The Seller shall be billed for all energy and capacity it consumes during each billing period according to the Company's applicable retail rate schedule. The Company may require those facilities that choose to sell power on a time-of-day basis to also purchase power on a time-of-day basis. The Company shall purchase all energy and capacity which is made available to it by the Seller. The Seller will be subject to the following Service Charge and Energy and Firm Power Capacity Credit:

Service Charge (Monthly)

\$0.75

Energy and Firm Power Capacity Credit

6.24¢ per kWh delivered to Company during On-Peak periods.

3.09¢ per kWh delivered to Company during Off-Peak periods.

II. Facilities rated at 40 kW or greater and less than or equal to 100 kW shall be subject to the following Time-of-Day Purchase Rate.

A. Time-of-Day Purchase Rate

The Seller shall be billed for all energy and capacity it consumes during each billing period according to the Company's applicable retail rate schedule. The Company may require those facilities that choose to sell power on a time-of-day basis to also purchase power on a time-of-day basis. The Company shall purchase all energy and capacity which is made available to it by the Seller. The Seller will be subject to the following Service Charge and Energy and Firm Power Capacity Credit:

Service Charge (Monthly)

\$0.74

Energy and Firm Power Capacity Credit

6.24¢ per kWh delivered to Company during On-Peak periods.

3.09¢ per kWh delivered to Company during Off-Peak periods.

DEFINITION OF PEAK PERIODS

On-Peak periods shall include all hours between 7 a.m. and 110 p.m. Monday through Friday excluding holidays. Off-Peak periods shall include all hours not included in On-Peak periods.

DEFINITION OF FIRM POWER CAPACITY

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The maximum 15-minute measured kW of On-Peak delivery of capacity by the Seller to the Company in the month where Seller provided such capacity with at least a 65 percent On-Peak capacity factor.

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