

• **GENERAL SERVICE**

APPLICATION

To any customer's electric service requirements when the total electric requirements are supplied through one meter. Service shall be delivered at one point from existing facilities of adequate type and capacity and metered at (or compensated to) the voltage of delivery. Service hereunder is limited to customers with total power requirements of less than 10,000 kW and is subject to Company's Electric Service Regulations and any applicable Riders.

Applicable to multiple metered service only in conjunction with the respective Rider for such service.

TYPE OF SERVICE

Single phase, three phase or single and three phase, 60 hertz, at one standard low voltage of 120/240 to 4160 volts; except that within the Low Voltage Network Area, service shall be three phase, four wire, 60 hertz, 277/480 volts.

RATE (Monthly)

Customers Without A Demand Meter

Service Charge	\$10.50
Energy Charge for all kWh (¢/kWh)	7.854¢

Customers With A Demand Meter

Service Charge	\$10.50
Demand Charge for all kW	\$5.86
Energy Charge for all kWh (¢/kWh)	5.306¢

Plus any applicable Adjustments.

MINIMUM CHARGE (Monthly)

The appropriate service charge plus any applicable adjustments; however, in no event will the Minimum Charge (Monthly) for three phase service be less than \$25.00.

HIGH VOLTAGE SERVICE

Where customer contracts for service delivered and metered at (or compensated to) the available primary voltage of 13,000 volts or higher, the monthly bill, before Adjustments, will be subject to a discount of \$1.75 per kW of Billing Demand. In addition, where customer contracts for service delivered and metered at (or compensated to) the available transmission voltage of 115,000 volts or higher, the monthly bill, before Adjustments, will be further subject to a discount of 0.284¢ per kWh of Energy.

High Voltage Service shall not be available from the Low Voltage Network Area as designated by the Company.

DETERMINATION OF THE BILLING DEMAND

When customer's use exceeds 2500 kWh for three consecutive months or where the connected load indicates customer's demand may be greater than 10 kW, the customer may be placed on a demand rate.

The Billing Demand will then be the kW measured during the 15-minute period of the customer's greatest use during the month, as adjusted for power factor, but not less than the minimum demand specified in the customer's contract.

Demand will be adjusted by multiplying by 85% and dividing by the average monthly power factor in percent when the average monthly power factor is less than 85% lagging.

However, in no event shall the average monthly power factor used for calculation in this paragraph be less than 45%.

PAYMENT

Bills are due and payable 15 days following the date the bill is rendered or such later date as may be specified on the bill.

• **LARGE LIGHT AND POWER SERVICE**

APPLICATION

To the entire electrical service requirements on the customer's premises delivered at one point from existing facilities of adequate type and capacity and metered at (or compensated to) the voltage of delivery.

Service hereunder is limited to customers with total power requirements of less than 50,000 kW and is subject to the Company's Electric Service Regulations and any applicable Riders. Customers with total power requirements in excess of 10,000 kW shall be served under this rate only where the customer and the Company have executed an electric service agreement having an initial minimum term of ten (10) years with a minimum cancellation provision of four (4) years.

Applicable to multiple metered service only in conjunction with the respective Rider for such service.

TYPE OF SERVICE

Single phase, three phase or single and three phase, 60 hertz, at one standard low voltage of 120/240 to 4160 volts; except that within the Low Voltage Network Area service shall be three phase, four wire, 60 hertz, 277/480 volts.

RATE (Monthly)

Demand Charge

For the first 100 kW or less of Billing Demand	\$1,100.00
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All additional kW of Billing Demand (\$/kW)	\$9.30
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Energy Charge

All kWh (¢/kWh)	3.740¢
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Plus any applicable Adjustments.

HIGH VOLTAGE SERVICE

When service is delivered and metered at (or compensated to) the available primary voltage of 13,000 volts or higher, the Demand Charge will be subject to a discount of \$1.75 per kW of Billing Demand. In addition, where service is delivered and metered at (or compensated to) the available transmission voltage of 115,000 volts or higher, the Energy Charge will also be subject to a discount of 0.284¢ per kWh of Energy.

High voltage service shall not be available from the Low Voltage Network Area as designated by the Company.

DETERMINATION OF THE BILLING DEMAND

Billing Demand is the kW measured during the 15-minute period of customer's greatest use during the month, as adjusted for power factor, except that the Billing Demand will not be less than the amount by which the greatest

adjustment demand during the preceding eleven months exceeds 100 kW, but no more than 75% of such adjusted demand. However, the Billing Demand shall not be less than the minimum demand specified in the customer's contract.

Demand will be adjusted by multiplying by 85% and dividing by the average monthly power factor in percent when the average monthly power factor is less than 85% lagging. However, in no event shall the average monthly power factor used for calculation in this paragraph be less than 45%.

PAYMENT

Bills are due and payable 15 days following the date the bill is rendered or such later date as may be specified on the bill.

• **COMMERCIAL/INDUSTRIAL DUAL FUEL INTERRUPTIBLE SERVICE**

APPLICATION

To the interruptible electric service requirements of Commercial/Industrial customers where an alternative source of energy is available to satisfy these requirements during period of interruption. Service shall be delivered at one point from facilities of adequate type and capacity and metered at (or compensated to) the voltage of delivery. Service is subject to the Company's Electric Service Regulations and any applicable Riders.

TYPE OF SERVICE

Single phase, three phase or single and three phase, 60 hertz, at low voltage (voltage level lower than that available from the Company's 13,000 volt system) or high voltage (voltage level equal to or greater than that available from the Company's 13,000 volt system).

RATE (Monthly)

Service Charge

Low Voltage Service	\$10.50
High Voltage Service	\$10.50

Energy Charge

Low Voltage Service (¢/kWh)	5.196¢
High Voltage Service (¢/kWh)	4.809¢

Plus any applicable Adjustments.

The High Voltage Service Rate is applicable where service is delivered and metered at (or compensated to) the available high voltage level (13,000 volt system or higher).

MINIMUM CHARGE (Monthly)

The Minimum Charge shall be the Service Charge plus any applicable Adjustments.

PAYMENT

Bills are due and payable 15 days following the date the bill is rendered or such later date as may be specified on the bill.

CONTRACT PERIOD

Not less than 1 year or such longer period as may be required under an Electric Service Agreement.

SERVICE CONDITIONS

1. The primary energy source for the Company-approved Dual Fuel installation must be electric. An approved Dual Fuel installation requires that the secondary or backup energy source be capable of continuous operation. Under no circumstances will firm electric service qualify as the secondary or backup energy source.

2. The interruptible load of the approved Dual Fuel installation shall be separately served and metered and shall at no time be connected to facilities serving customer's firm load.

3. The duration and frequency of interruptions shall be at the discretion of the Company. Interruption will normally occur at such times:

- (a) when the Company is required to purchase or generate power at a cost higher than the customer's energy charge,
- (b) when the Company expects to incur a system peak in excess of its Mid-Continent Area Power Pool (MAPP) accredited generating capability,
- (c) when in the Company's opinion the reliability of the system is endangered, or
- (d) when the Company performs necessary testing of interruptibility of the customer's load.

Interruptions shall normally occur for capacity related needs before interruptions for any certified interruptible loads for Large Power, Large Light and Power, and General Service (those loads that meet the requirements specified in the MAPP Procedure for the Certification of Interruptible Demand).

4. The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service except in the case of gross negligence on the part of the Company.

5. The customer must be prepared to supply all of the interruptible load from an alternative energy source for up to 30% of the customer's Dual Fuel requirements during any annual period.

6. The customer will install, at its expense, a load-break switch, circuit breaker, or other means of allowing the Company to automatically interrupt the customer's Dual Fuel load by sending a command or signal. The Company reserves the right to inspect and approve the installation to ensure compliance and consistency with the Company's interruption system. If the Company's system cannot support automatic interruption, interruption shall be made in accordance with Service Condition 8. The customer must provide a continuous 120 volt AC power source at the Company's control point for operation of the Company's remote control equipment.

7. The rate contemplates that this service will utilize existing facilities with no additional major expenditures. The Customer shall pay the Company the installed cost of any additional facilities required which are not supported by this rate. Customers who have guaranteed annual revenue commitments to support line extension costs under a firm rate schedule that are not fully satisfied before switching to Dual Fuel service may be required to have their extension cost contributions recalculated.

8. Upon receiving a control signal from the Company, the customer must shed its interruptible load in ten (10) minutes or less, and for a duration as required by the Company, whenever the Company determines such interruption is necessary. Customers with existing provisions in their Electric Service Agreements for longer notice before interruption shall continue to have thirty (30) minutes to shed their interruptible loads through the term of their existing contracts for December 31, 1998, whichever is later.

9. Those customers who fail to interrupt their interruptible load after being notified to do so by the Company shall be responsible for all costs incurred by the Company due to such failure, including but not limited to penalties assessed the Company by the Mid-Continent Area Power Pool in the event the Company experiences a system capacity deficiency. Those costs shall be charged on a pro rata basis to all customers who did not interrupt as requested. Such customer shall also be billed as follows:

- a) The first failure to interrupt shall result in the customer being billed for the entire month on the standard applicable General Service or Large Light and Power Service Schedule (thereby not receiving an interruptible discount).
- b) If a second such failure to interrupt occurs, in addition to billing as specified in (a) above, the Company reserves the right to discontinue the customer's service under the Dual Fuel Interruptible Electric Service Schedule.

• **COMMERCIAL/INDUSTRIAL CONTROLLED ACCESS ELECTRIC SERVICE**

APPLICATION

To any electric service for commercial/industrial customers for controlled storage space heating and/or water heating loads which will be energized only for the time period between 11 p.m. and 7 a.m. daily. Service is subject to Company's Electric Service Regulations and any applicable Riders.

TYPE OF SERVICE

Single phase, three phase or single and three phase, 60 hertz, at low voltage (voltage level lower than that available from Company's 13,000 volt system) or high voltage (voltage level equal to or greater than that available from the Company's 3,000 volt system, supplied through one meter at one point of delivery).

RATE (Monthly)

Service Charge

High Voltage Service	\$10.50
Low Voltage Service	\$10.50

Energy Charge

High Voltage Service	4.050¢
Low Voltage Service	4.350¢

Plus any applicable Adjustments.

The Primary Service Rate is applicable where service is delivered and metered at (or compensated to) the available primary voltage.

MINIMUM CHARGE (Monthly)

The Minimum Charge shall be the Service charge plus any applicable Adjustments.

PAYMENT

Bills are due and payable 15 days following the date the bill is rendered or such later date as may be specified on the bill.

CONTRACT PERIOD

Not less than 30 days or such longer period as may be required under an extension agreement.

SERVICE CONDITIONS

1. The controlled load shall be separately served and metered and shall at no time be connected to facilities servicing the customer's other loads.
2. The total connected controlled load shall not exceed 200 kW.
3. The controlled space heating and/or water heating installation must have sufficient storage capacity to satisfy the customer's space or water heating needs during the non-energized period.
4. The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service except in the case of gross negligence on the part of the Company.
5. The customer's load shall be controlled by a switching device approved or supplied by the Company and paid for and installed by the customer. The customer must provide a continuous 120 volt AC power source at the Company's control point for operation of the Company's control equipment.
6. The rate contemplates that this service will utilize existing facilities with no additional major expenditures. The customer shall pay the Company the installed cost of any additional facilities required which are not supported by this rate.

ADJUSTMENTS APPLICABLE TO ALL ELECTRIC SERVICE RATES LISTED

1. There shall be added to or deducted from the monthly bill, as computed above, a fuel and purchased energy adjustment determined in accordance with the Rider for Fuel and Purchased Energy Adjustment.
2. There shall be added to the monthly bill, as computed above, an emissions-reduction adjustment determined in accordance with the Rider for Arrowhead Regional Emission Abatement (AREA).
3. There shall be added to the monthly bill, as computed above, a transmission investment adjustment determined in accordance with the Rider for Transmission Cost Recovery.
4. There shall be added to the monthly bill, as computed above, a renewable resources adjustment determined in accordance with the Rider for Renewable Resources.
5. There shall be added to the monthly bill a conservation program adjustment determined in accordance with the Rider for Conservation Program Adjustment. The combination of the fuel adjustment and the Conservation Program Adjustment shall be shown on the customer's bill as the Resource Adjustment.
6. There shall be added to the monthly bill the applicable proportionate part of any taxes and assessments imposed by any governmental authority which are assessed on the basis of meters or customers, or the price of or revenues from electric energy or service sold, or the volume of energy generated, transmitted or purchased for sale or sold.
7. Bills for service within the corporate limits of the city of Aurora, the city of Duluth, the city of Hermantown, the city of Little Falls, the city of Long Prairie, the city of Park Rapids, and in other cities with approved franchise fee riders shall include an upward adjustment as specified in the applicable franchise fee rider for each city.
8. Minnesota Power will assess a Late Payment Charge of **1-1.50%** or \$1.00 per monthly billing period, whichever is greater, on that portion of a retail customer's account representing charges for utility service(s) past due, if the unpaid utility balance exceeds \$10.00. Any portion of a utility bill under dispute will not be charged a Late Payment Charge while the dispute is being resolved. At the Company's discretion, any Late Payment Charge, or portion thereof, will be waived in accordance with the Minnesota Public Utilities Act.

**To Our
Commercial/Industrial
Customers**

On November 2, 2010, Minnesota Power received approval of the rates contained herein from the Minnesota Public Utilities Commission. These rates will be applied to usage on or after June 1, 2011.

For your information and convenient reference, this folder contains the following electric service rates and rules:

- **GENERAL SERVICE**
- **LARGE LIGHT & POWER SERVICE**
- **COMMERCIAL/INDUSTRIAL DUAL FUEL INTERRUPTIBLE ELECTRIC SERVICE**
- **COMMERCIAL/INDUSTRIAL CONTROLLED ACCESS ELECTRIC SERVICE**

Should you desire any further information regarding these rates and how they apply to your business, please visit www.mnpower.com or call 1-800-228-4966.

