

**ELECTRIC SERVICE AGREEMENT
FOR
DISTRIBUTED GENERATION SERVICE**

THIS AGREEMENT, made this _____ day of _____, _____, between Minnesota Power, and _____, hereafter called Customer, in consideration for the covenants and promises made herein creates the obligation of Minnesota Power to furnish electric service and Customer to pay for said electric service in accordance with the following terms and conditions, and to accommodate Customer's distributed generation system, through _____, 20_____.

1. Electric service shall be furnished to Customer's premises located at _____
_____ in the County of _____ and State of Minnesota, described as follows:

2. Electric service shall be furnished at a point of delivery described as _____

3. Annual revenues paid to Minnesota Power by Customer inclusive of payments for electric service received, billed at the applicable rate schedule plus any adjustments shall not be less than _____ per year, for a period of not less than _____ years, commencing from the date Minnesota Power begins providing electric service or 90 days from the date of installation of said electric service, whichever occurs first. An annual billing will be rendered for any deficit to the above annual revenue guarantee.

4. An advance payment of _____ shall be made to cover that portion of Minnesota Power's investment not covered by the revenue guarantee.

5. This electric service shall be billed at the current applicable rate and class at the time the electric service is used or as approved by any regulating body having jurisdiction thereof.

6. Meter-Special Conditions: _____

7. Distributed Generation Service:

- A. Customer must complete and execute the State of Minnesota Interconnection Agreement for the Interconnection of Extended Parallel Distributed Generation Systems with Electric Utilities, attached as Attachment A.
- B. Customer is/is not (circle one) eligible for Distribution Credits. The amount of _____ represents Minnesota Power's avoided distribution costs as determined by Minnesota Power's distribution studies.
- C. Customer is/is not (circle one) eligible for Line Loss Credits. The amount of _____ represents Minnesota Power's line loss savings as determined by Minnesota Power's line loss study.
- D. Customer is eligible for either Renewable Credits or Tradable Emission Credits. Customer chooses (check one):
 - _____ Renewable Credits at \$ _____
(The avoided cost of renewable energy additions or purchases is identified in Minnesota Power's Distributed Generation Capacity and Energy Payment Schedule at the time this ESA is executed.)
 - _____ Tradable Emission Credits
(The credit revenues associated with Customer's Distributed Generation System for which Tradable Emission Credits are received by Minnesota Power are identified in Minnesota Power's Distributed Generation Capacity and Energy Payment Schedule.)

- E. Customer's accredited capacity is as defined in the Power Purchase Agreement between Minnesota Power and Customer attached hereto as Attachment B. Check here ___ if Customer chooses not to accredit capacity (note that Minnesota Power will only provide Capacity Credit for accredited capacity).
- F. Minnesota Power's monthly payment to Customer for capacity and energy from the Distributed Generation System is defined in the Power Purchase Agreement and is set forth in Customer's Capacity and Energy Payment Schedule (attached as Exhibit C) and is based upon Minnesota Power's annual Distributed Generation Capacity and Energy Payment Schedule. Customer must execute Minnesota Power's Confidentiality and Non-Disclosure Agreement (attached as Exhibit D) in order to receive this information.
- G. Customer with a Distributed Generation System of 1 megawatt or greater nameplate capacity rating may be required to pay a Delivery Charge to compensate Minnesota Power for any additional distribution, transmission and ancillary services provided by Minnesota Power to Customer. Minnesota Power will perform a customer specific study that assesses the technical and operating characteristics and impacts of customer's system to determine the Delivery Charge.

8. Standby Service (check one):

- Customer will implement physical assurance under terms set forth in the Rider for Standby Service.
- Customer elects to take service under the Rider for Standby Service:
 - A. The nameplate capacity rating of the Distributed Generation System is _____ kW.
 - B. Customer elects firm/non-firm (circle one) standby service.
 - C. If firm service is elected above, Customer specified _____ kW per month as the maximum amount of firm standby service that Minnesota Power is obligated to supply during the term of this Electric Service Agreement, and such amount shall serve as Customer's Contracted Standby Demand.
- Customer is exempt from standby service because Customer's Distributed Generation System is 60 kW or less.

9. Other:

- A. The parties hereto mutually agree to abide by any and all applicable statutes, agency rules and Minnesota Power's Electric Service Regulations which are hereby incorporated by reference.
- B. This Agreement is not assignable to any other party without the express written consent of Minnesota Power.
- C. This Agreement shall be in full force and effect for the term above specified and each party shall be bound unless an express written release is executed by the party not requesting said release.

MINNESOTA POWER

CUSTOMER

By _____
 Title _____
