



Fergus Falls, Minnesota

LARGE GENERAL SERVICE RIDER

DESCRIPTION	Option 1	Option 2
Fixed Rate Energy Pricing	M648	M649
System Marginal Energy Pricing	M642	M645
Short-term Marginal Capacity Purchases	M643	M646
Short-term Marginal Capacity Releases	M644	M647

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

AVAILABILITY: This rider is available at the request of Customers who take service under the rate schedules listed in the Application Section of this Tariff and have either (**Option 1**) a metered Demand of at least 1 MW, or (**Option 2**) a Total Coincident Demand of at least 10 MW for multiple, non-contiguous facilities that function in series.

ADMINISTRATIVE CHARGE: An Administrative Charge in the amount of \$340.00 will be applied to each monthly bill to cover billing, administrative, metering, and communication costs associated with this rider.

INTERIM RATE ADJUSTMENT:

A 21.70 percent increase will be added to the Administrative Charge, Demand Charge and Energy Charge for Fixed Rate Energy Pricing rates 648 and 649.

N
N
N

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.

ELECTRIC SERVICE AGREEMENT: For service under this rider, the Company may, at its discretion, require a written electric service agreement (“ESA”) between the Company and the Customer that sets forth, among other things, the Customer’s Billing Demand, Firm Demand, and Baseline Demands.

FIXED RATE ENERGY PRICING:

Background: Certain Company industrial and Commercial Customers have ESAs that designate, among other things, a Billing Demand, Baseline Demand(s) and a Firm Demand. With Baseline Demand(s), the Company agrees to provide and the Customer agrees to purchase all of its Energy requirements at rates set forth in the Customer’s applicable rate



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schedule and/or a negotiated rate subject to Commission approval. Setting Firm and Baseline Demands benefit both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand(s) and the ability to purchase Energy above the Baseline Demand(s) at rates set forth in the Customer's applicable rate schedule and/or a negotiated Energy rate subject to Commission approval.

Energy: The Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the Baseline Demand(s), and (2) Energy consumed above the Baseline Demand. The price (rate) for Energy consumed up to and including the Baseline Demand(s) will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated rate subject to Commission approval. The monthly rate for Energy consumed above the Baseline Demand(s) will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer and/or a negotiated Energy rate subject to Commission approval.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer and/or a negotiated Demand rate subject to Commission approval.

SYSTEM MARGINAL ENERGY PRICING:

Background: Certain Company industrial and Commercial Customers have ESAs that designate, among other things, a Billing Demand, Baseline Demands and a Firm Demand. With Baseline Demands, the Company agrees to provide and the Customer agrees to purchase its Energy requirements up to the Baseline Demand(s) at rates set forth in the Customer's applicable rate schedule. Setting a Firm and Baseline Demands benefits both the Company and the Customer. With Firm Demands, the Company is able to curtail participating Customers' load to predetermined levels which allows the Company to more accurately forecast its native load Capacity and Energy requirements. Baseline Demands assure the Customer a fixed price for Energy up to the Baseline Demand(s) and the ability to purchase Energy above the Baseline Demand(s) on a "real time" basis, which can be higher or lower than the rates set forth in the applicable rate schedule. Accordingly, a Customer can adjust its Energy consumption above the Baseline Demand(s) according to the value the Customer places on that Energy in real-time.

Energy: A Customer's monthly rate for Energy will be determined in two parts: (1) Energy consumed up to and including the Baseline Demand(s), and (2) Energy consumed above the Baseline Demand(s). The price (rate) for Energy consumed up to and including the Baseline



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Demand(s) will be determined by multiplying the Customer's metered Energy consumption by the Energy rate provided in the rate schedule applicable to the Customer. The monthly rate for Energy consumed above the Baseline Demand(s) will be determined by multiplying the Customer's metered Energy consumption by the Company's System Marginal Energy Price.

System Marginal Energy Price Notification: No later than 4:00 p.m. (Central Time) of the preceding day, the Company shall give its best efforts to make available to Customers the System Marginal Energy Price for the next business day. System Marginal Energy Prices for Saturday through Monday will be made available, whenever possible, the previous Friday. The Company may deviate from this procedure in abnormal operating conditions and for the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

The Company is not responsible for a Customer's failure to receive or obtain and act upon the System Marginal Energy Prices. If a Customer does not receive or obtain the prices made available by the Company, it is the Customer's responsibility to notify the Company by 4:30 p.m. of the business day preceding the day the prices are to take effect. The Company reserves the right to revise its System Marginal Energy Price at any time prior to Customer's acceptance and will be responsible for notifying the Customer of such revised prices.

Demand: A Customer's monthly rate for Demand shall be determined by multiplying the Customer's Billing Demand by the Demand rate provided in the rate schedule applicable to the Customer.

SHORT-TERM MARGINAL CAPACITY PURCHASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the "Marginal Capacity") or release (sell) Capacity to the Company or third party (the "Released Capacity").

Marginal Capacity: Where the Customer requests additional Capacity on a Short-term basis, the Customer may reserve additional Capacity, to the extent available, from the Company's system, or request the Company to purchase available Capacity in the market (the "Marginal Capacity"). Where the Company is unable to provide Marginal Capacity within 60 days of the Customer's notice under Section 4.3, the Customer may seek Marginal



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Capacity indirectly from a third party. The Company would work with the third party to effectuate the purchase. In each case, the Company agrees to give to the Customer its best effort in seeking the Marginal Capacity. The Marginal Capacity purchase must be for a minimum of 1000 kW (1MW) and will include charges for Transmission Service, a Reserve Margin and applicable administrative and other costs. The Company does not guarantee the availability of Capacity or Transmission Service for the Marginal Capacity.

Compensation: The rate for the Marginal Capacity shall be as negotiated by the parties. Where the Marginal Capacity is provided by a third party, the compensation for such Marginal Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the transaction.

Purchase Period: The Purchase Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and Customer, but in no case will be less than one (1) month.

Effect of Marginal Capacity: By purchasing Marginal Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be increased throughout the Purchase Period by the amount of Marginal Capacity purchased. The Customer will continue to be billed for the Billing Demand established in the ESA. For all eligible Customers not taking service under Rate Schedule 14.02 (the Real Time Pricing Rider), Energy consumed above the Baseline Demand(s) will continue to be billed at the System Marginal Energy Price. Real Time Pricing Rider Customers will continue to be billed under the provisions of Rate Schedule 14.02.

SHORT-TERM MARGINAL CAPACITY RELEASES:

Background: Certain Customers have ESAs that establish for the term of the ESA, among other things, a Billing Demand under which the Customer purchases a fixed level of Capacity and a Firm Demand that represents the load-level to which the Customer must curtail on being notified by the Company. On a Short-term basis, the Customer may desire either more or less Capacity than that established in the ESA. The Short-Term Marginal Capacity Purchases and Short-Term Marginal Capacity Releases sections provide a mechanism under which the Customer may, on a Short-term basis, purchase additional Capacity from the Company or third party (the “Marginal Capacity”) or release (sell) Capacity to the Company or third party (the “Released Capacity”).

Released Capacity: Where the Customer requests to release Capacity on a short-term basis, the Customer may release some but not all of the Capacity (the “Released Capacity”), and the Company agrees to give its best effort in finding a purchaser of the Released Capacity. Where the Company is unable or unwilling to purchase the Released Capacity for its own



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use or to resell it off-system at wholesale, or otherwise find a purchaser, within 60 days of the Customer's notice under Section 4.3, the Customer may have a third party market the Capacity. The Company would work with the third-party to effectuate the sale of the Released Capacity. The Released Capacity must be a minimum of 1000 KW (1MW).

Compensation: As compensation for the Released Capacity, the Customer shall receive a credit or payment during any billing month in which Customer and Company have cooperated to make a Released term Capacity sale, adjusted to take into account the Company's applicable administrative and other costs. Where the Company purchases the Released Capacity, the rate will be as negotiated between the Company and the Customer. No credit will be given to the Customer for any Energy sold by the Company under the Released Capacity, and the Customer will have no cost responsibility associated with the sale of such Energy. Where the Released Capacity is marketed by a third party, the compensation for such Released Capacity shall be as negotiated between the Customer, the Company and the third-party, and the Company shall be compensated for its efforts in assisting the Released Capacity transaction.

Release Period: The Release Period shall be either a Summer Season(s) or Winter Season(s), or combination thereof, unless otherwise agreed to by the Company and Customer, but in no case will be less than one (1) month.

Effect of Release Capacity: By selling Released Capacity, the Customer agrees that its Firm Demand, as established in the ESA, will be reduced throughout the Release Period by the amount of Released Capacity. The Customer will continue to be billed for the Billing Demand established in the ESA.

PENALTY FOR INSUFFICIENT LOAD CONTROL: Upon notification from the Company, the Customer shall curtail its Demand to its Firm Demand, as adjusted to take into consideration any Marginal Capacity or Released Capacity. In the event the Customer fails to curtail its load as requested by the Company, the Customer will forfeit any compensation for that period, if any is due. In addition, the Customer shall be responsible for any and all costs and/or penalties incurred by the Company as result of the Customer's failure to curtail. The duration and frequency of curtailments shall be at the sole discretion of the Company unless otherwise provided in the ESA between the Company and the Customer.

TRANSACTION COSTS: Where the Company gives its best efforts to arrange either a Marginal Capacity purchase or Released Capacity sale but is nonetheless unable to find a market for the Customer, the Company is entitled to its reasonable transaction costs.

NOTIFICATION REQUIRED BY THE CUSTOMER: In order to improve the possibility there will be a market for the Released Capacity or Marginal Capacity available, the Customer shall provide notice of its intent to sell Released Capacity or purchase Marginal Capacity no later than six



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(6) months before the start date of the next applicable Winter Season or Summer Season, the six-month requirement to be waived at the Company's discretion.

COMMUNICATION REQUIREMENTS: The Customer agrees to use Company-specified communication requirements and procedures when submitting any offer for Released Capacity or Marginal Capacity. These requirements may include specific computer software and/or electronic communication procedures.

METERING REQUIREMENTS: Company approved metering equipment capable of providing load interval information is required for Rider participation. The Customer agrees to pay for the additional cost of such metering when not provided in conjunction with existing retail electric service.

LIABILITY: The Company and the Customer agree that the Company has no liability for indirect, special, incidental, or consequential loss or damages to the Customer, including but not limited to the Customer's operations, site, production output, or other claims by the Customer as a result of participation in this Rider.

ENERGY ADJUSTMENT RIDER: Energy consumed up to and including the Baseline Demand(s) is subject to the Energy Adjustment Rider as provided in Section 13.01, or any amendments or superseding provisions applicable thereto. Because Energy consumed above the Baseline Demand(s) is subject to the System Marginal Energy Price and calculated on a real-time basis, it is not subject to the Energy Adjustment Rider as provided for in Mandatory Riders – Applicability Matrix, Section 13.00.

CUSTOMER EQUIPMENT: Customers taking service under this Rider shall provide equipment to maintain a power factor at a level no less than the level in which penalties would be invoked under the Tariff, if applicable.