# SMALL POWER PRODUCER RIDER
# DEPENDABLE SERVICE

| DESCRIPTION | RATE CODE |
|---|---|
| Base Avoided Costs | N940 |
| Renewable Energy Credit | N991 |
| Solar Renewable Energy Credit | N993 |
| Optional Production Meter Charge | N995 |

**AVAILABILITY:** Available to any Qualifying Facility which is capable of delivering power and Energy to the Company on a dependable basis with Generation Capacity of 1,000 kW or less.

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

**METERING CHARGE:** $12.85 per month

**OPTIONAL PRODUCTION METER CHARGE:** $4.55 per month

**PAYMENT SCHEDULE:**

| DESCRIPTION | ENERGY CREDIT ON-PEAK | ENERGY CREDIT OFF-PEAK | |
|---|---|---|---|
| Based Avoided Costs | | | |
| Summer | 5.106¢ per kWh | 3.585¢ per kWh | R |
| Winter | 5.949¢ per kWh | 4.718¢ per kWh | R |
| Renewable Energy Credit | 0.150¢ per kWh | 0.150¢ per kWh | R |
| Solar Renewable Energy Credit | 0.150¢ per kWh | 0.150¢ per kWh | |

CAPACITY: **L**

| Contract Term | Monthly $/kW Net Capacity Rate | Monthly $/kW Levelized Rate | |
|---|---|---|---|
| 60 mos. | $0.00 | $0.00 | **R** |
| 120 mos. | $0.00 | $0.00 | **R** |
| 180 mos. | $0.00 | $0.00 | **R** |
| 240 mos. | $0.00 | $0.00 | **R** |
| 300 mos. | $0.00 | $0.00 | **R** |
| 360 mos. | $0.00 | $0.00 | **R** |

Energy payment will be adjusted annually to reflect energy costs.

Total capacity payment equals (accredited capacity value of the Qualifying Facility) times (capacity ratio) times (appropriate levelized capacity rate).

Capacity Ratio equals (Qualifying Facility on-peak capacity factor) divided by 65%.

The Capacity Ratio shall not exceed a value of 1 **or** if the Qualifying Facility is dispatchable by the Company and tested under the Mid-continent Independent System Operator (MISO) guidelines, then the capacity ratio automatically equals 1.

## SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, or 30 years.

2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

   The remaining percentage of the contract term will be multiplied by the average capacity compensation per month and the result multiplied by six months. The average capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

   In addition, capacity compensation from the initiation of the contract will be recalculated at the capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:

| Months of Payments | Contract Term Filled |
|---|---|
| 0 - 119 | 60 |
| 120 - 179 | 120 |
| 180 - 239 | 180 |
| 240 - 299 | 240 |
| 300 - 360 | 300 |

## SPECIAL CONDITIONS OF SERVICE:

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to the Company. A 30-day prior notice must be given to the Company before a scheduled maintenance period can be established.

   Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the capacity payment using the regular billing procedure or the average billing capacity payment since the previous month in which a scheduled maintenance period occurred.

**RULES AND REGULATIONS:** Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

## DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak capacity factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to the Midwest Reliability Organization (MRO).

Capacity Factor: The number of Kilowatt-hours delivered during the period divided by the product of the accredited capacity times the number of hours in the period. The maximum capacity factor is 1.0.

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Summer Off-Peak: All other hours including the three holidays of Memorial Day, Independence Day and Labor Day.

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours including the three holidays of Thanksgiving, Christmas Day and New Year's Day.

**TERMS AND CONDITIONS:** The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer will be compensated monthly for all energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review. **C**

2. If the SQF is located at a site outside of the Company's service territory and energy is delivered to the Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.

3. If required, a separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.

4. The SQF shall make provisions for the installation of Company owned on-site metering. All energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation.

5. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.

6. The Customer shall pay for any increased capacity of the distribution equipment serving him and made necessary by the installation of his generator.

7. Power and energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.

8. The generator output must be compatible with the Utility system. The Customer's 60 hertz generator output must be at the voltage and phase relationship of the existing service or of one mutually agreeable to the Company and the Customer.

9. The Customer will provide equipment to maintain a unity power factor + or - 10% during periods of generator operation.

10. The Company reserves the right to disconnect the Customer's generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers.

11. The Customer is required to follow the Company's interconnection process which requires that prior to installation, a detailed diagram of the generator and related equipment must be furnished to the Company for its approval.

12. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator capacity rating.

13. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors.

14. Equipment shall be provided by the Customer that provides a means of preventing feedback to the Company during an outage or interruption of that system as well as a visible means to disconnect the generator from the Utility that is readily accessible by Utility employees.

15. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.

16. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment, as shown in the payment schedule. **C**