



CONSERVATION IMPROVEMENT PROJECT (CIP) RIDER

DESCRIPTION	RATE CODE
Residential	MCPRS
Farm	MCPFM
General Service	MCPGS
Large General Service	MCPLG
Irrigation Service	MCPIR
Outdoor Lighting	MCPLT
OPA	MCPOP
Controlled Service Deferred	MCPCD
Controlled Service Interruptible	MCPCI
Controlled Service Off Peak	MCPCO

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

APPLICATION OF RIDER: This rider is applicable to any electric service under all of the Company's retail rate schedules in Sections 9, 10, 11, and 14, except for Standby Service, Section 11.01; Civil Defense – Fire Sirens, Section 11.06; Air Conditioning Control Rider, Section 14.08; Renewable Energy Rider, Section 14.09; and those customers who have been granted an exemption under a large customer facility. The exemptions are as follows: C
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“Large Customer Facility” customers that have been exempted from the Company’s Conservation Improvement Program charges pursuant to Minn. Stat. 216B.241, Subd. 1a (b) shall receive a monthly exemption from conservation improvement program charges pursuant to Minn. Stat.216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from conservation program charges, the “Large Customer Facility” customers can no longer participate in the Company’s Energy Conservation Improvement Program.

CONSERVATION SURCHARGE: There shall be added to each non-exempt Customer’s bill a Conservation Surcharge, which shall be the Conservation Surcharge Rate multiplied by the customer’s billing kWh for electric service. The Conservation Surcharge shall not be applied to Meter(s) on Customer Account(s) granted exemption by the Commissioner of the Minnesota Department of Commerce, Division of Energy Resources (or successor agency) from CIP costs pursuant to Minn. Stat. 216B.241.



Service Category	Section	Rate per kWh
Residential	9.01, 9.02	0.683 ¢kWh
Farm	9.03	0.689 ¢kWh
General Service	10.01, 10.02, 10.03, 10.07	0.686 ¢kWh
Large General Service	10.04, 10.05, 10.06, 14.02, 14.03	0.682 ¢kWh
Irrigation Service	11.02	0.362 ¢kWh
Outdoor Lighting	11.03, 11.04, 11.07	0.778 ¢kWh
OPA	11.05	0.604 ¢kWh
Controlled Service Deferred	14.01, 14.06	0.657 ¢kWh
Controlled Service Interruptible	14.04	0.709 ¢kWh
Controlled Service Off Peak	14.07, 14.12	0.593 ¢kWh

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DETERMINATION OF CONSERVATION SURCHARGE RATES: The Conservation Surcharge shall be the Recoverable CIP Tracker Balance multiplied by the Service Category’s CIP energy allocator (E2), divided by the corresponding Service Category’s projected Minnesota non-exempt retail energy sales for a designated 12-month recovery period. The Surcharge may be adjusted annually by approval of the Minnesota Public Utilities Commission (MNPUC). The Recoverable CIP Tracker Balance is determined as described below, starting with the MNPUC accepted CIP Tracker account balance as of the end of the prior year. From this starting point:

1. Add financial incentives awarded by the MNPUC not reflected in the prior year-end CIP Tracker balance;
2. Add current year CIP approved spending levels.

All costs appropriately charged to the CIP Tracker account shall be eligible for recovery through this Rider and all revenues received from the application of the Conservation Surcharge Factor shall be credited to the CIP Tracker account.

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 schedule. See Sections 12.00, 13.00 and 14.00 of the Minnesota electric rates for the matrices of riders.