



Fergus Falls, Minnesota

## ECONOMIC DEVELOPMENT RATE RIDER

| DESCRIPTION          | RATE<br>CODE |
|----------------------|--------------|
| Secondary Service    | N690         |
| Primary Service      | N691         |
| Transmission Service | N692         |

**RULES AND REGULATIONS:** The use of this electric rate schedule is also governed by the General Rules and Regulations.

**APPLICATION OF RIDER:** This rider is applicable to the following Large General Service customers served on Section 10.04 & 10.05:

- (i) Greenfield customers with: expected metered demand of at least 500 kW at a single metering point, and Seasonal Load Factor that is above the seasonal system average load factor and above the seasonal class average load factor corresponding to existing customers under the otherwise applicable rate code.
- (ii) Existing customers with: metered demands of at least 1,000 kW that increase measured demand by at least 500 kW at a single new metering point, and Seasonal Load Factor above the seasonal system average load factor and above the seasonal class average load factor under the otherwise applicable rate code.

**SCOPE OF RIDER:** To attract, by offering a Rate Discount, new customer load that provides net benefits to ratepayers.

**RATE DISCOUNT:** To be specified in each Customer's contract, in the form of a discount percentage from the applicable rate code (Section 10.04 or 10.05), plus Mandatory Riders.

**TERMS AND CONDITIONS:** The Company will offer the Customer the Rate Discount under the following terms:

1. The minimum rate under this schedule shall recover at least the incremental cost of providing the service, including any energy-related marginal costs plus the cost of additional generation capacity or network capacity that is to be added while the rate is in effect, and any marginal

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customer-related costs. The goal of this calculation is to establish a floor price to ensure that the revenue requirement of other Customers will not increase due to the addition of the new load.

2. The rate after Rate Discount offered to the Customer under this rate schedule shall not exceed the company's standard tariff and all applicable riders and shall not be lower than incremental costs as described in the preceding paragraph. **C**
3. The Company will utilize the Economic Development Rate Model (EDRM) to compare expected revenues from the prospective Customer and expected costs of serving the added load over the time period described in item 4. of these terms and conditions. The EDRM will be made available only to the Commission to verify the calculations used to establish the rate quote and Rate Discount offered to the Customer. **C**
4. The contract term for a Customer who meets all requirements under this rate schedule must be no less than one year and no longer than five years commencing the first day of commercial operations. **C**
5. The contract will indicate the Rate Discount percent level during each year of the 1 to 5-year period for the particular customer. The stated Rate Discount will be an annual discount percentage to be applied to the Large General Service rate and Mandatory and Voluntary Riders. **C**
6. Customers who do not meet the 3-year minimum revenue guarantee as per OTP's line extension policy will not qualify for this rate schedule. **C**
7. The Company will not need to verify, nor will customers served on this rate schedule need to demonstrate the creation of a minimum number of jobs upon adding the new load. **C**
8. Customer will allow Company to undertake an energy efficiency audit of the facility. **C**
9. The Company will provide the Commission the current version of the EDRM and total annual value of Rate Discounts given with its Annual Jurisdictional Report to the Commission. **C**

#### **REVIEW AND APPROVAL PROCESS:**

1. Company will compute a Rate Discount using the EDRM.
2. Company will provide to Commission a copy of the EDRM with inputs used and the Rate Discount result for Commission Staff confirmation of the inputs and calculation.



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3. Following confirmation, Company may notify the prospective Customer of the potential Rate Discount.
  4. The Customers contract, inclusive of Rate Discount, will be filed with the Commission for approval.

**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. N  
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