



Fergus Falls, Minnesota

COMPETITIVE RATE RIDER - LARGE GENERAL SERVICE APPLICATIONS AND ELIGIBILITY REQUIREMENTS

Table with 2 columns: DESCRIPTION, RATE CODE. Rows: Option 1 (MLGS1), Option 2 (MLGS2)

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

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AVAILABILITY: This rider is available to individual Customers or to groups of Customers within the Company's assigned service area that have a connected load of 750 kW or greater and are determined to be subject to "effective competition."

Effective competition exists if the Customer has the ability to obtain its Energy requirements from an Energy supplier that is not regulated by the Minnesota Public Utilities Commission ("MPUC" or "Commission") under Minnesota Statutes, Section 216B.16.

RATE: To be specified in each Customer's contract.

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.

FIXED CHARGE DETERMINATION: A monthly fixed charge will be established to recover the Company's investment-related costs. This charge will be determined based on the installed cost of Company-provided equipment minus the salvage value at the end of the contract period.

TERMS AND CONDITIONS: The Company will offer a competitive rate under the following terms:

- 1. The minimum rate under this schedule shall recover at least the incremental cost of providing the service, including the cost of additional Capacity that is to be added while the rate is in effect and any applicable On-Peak or Off-Peak differential.

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2. The maximum possible rate reduction under this rate schedule shall not exceed the difference between the Company's applicable standard Tariff and the cost to the Customer of the lowest cost competitive Energy supply.
3. A contract for service must be completed and filed as a rate schedule with the MPUC.
4. Contract terms for a Customer who elects to take service under this competitive rate must be no less than one year and no longer than five years.
5. A contract under this schedule shall not compete with district heating or cooling provided by a district heating utility as defined by Minnesota Statutes, Section 216B.166, Subdivision 2, Paragraph (c).
6. After the completed contract has been filed with the Commission, a competitive rate takes effect on an interim basis on the date established by the Company. If the Commission does not approve the competitive rate, the electric utility may seek to recover the difference in revenues between the interim competitive rate and the standard Tariff from the Customer who was offered the competitive rate.
7. A rate under this schedule may not be offered to a Customer, in which the Company has a financial interest greater than 50 percent.
8. A rate under this schedule shall meet the conditions of Minnesota Statutes, Section 216B.03, for other Customers in this same Customer class.
9. A rate under this schedule shall meet the terms and conditions under Section 216B.162, Subdivision 4, unless the Commission determines that waiver of one or more terms and conditions would be in the public interest.

OTHER REGULATIONS: Contracts under this Tariff are subject to the approval, modification or disapproval of the MPUC. If the Commission approves the competitive rate, it becomes effective as agreed to by the Company and the Customer. If the competitive rate is modified by the Commission, the Commission shall issue an order modifying the competitive rate. Each party has 10 days in which to reject the proposed modification. If no party rejects the proposed modification, the Commission's order becomes final. If either party rejects the Commission's proposed modification, the Company, on its behalf or on the behalf of the Customer, may submit to the Commission a modified version of the Commission's proposal. The Commission shall accept or reject the modified version within 30 days. If the Commission rejects the competitive rate, it shall issue an order indicating the reasons for the rejection.