ORIGINAL VOLUME NO. 8 SECOND REVISED SHEET NO. 46 Canceling FIRST REVISED SHEET NO. 46

RATE DESIGNATION: RIDER DG-1

CLASS OF SERVICE: COGENERATION AND SMALL POWER PRODUCERS -

DISTRIBUTED GENERATION

SERVICE AREA: ALL MINNESOTA SERVICE AREA

<u>Availability:</u> To any Customer taking service under one of Company's standard electric rate schedules and who has entered into the Company's version of the State of Minnesota Interconnection Agreement for the Interconnection of Extended Parallel Generation Systems with Electric Utilities. The distributed generation systems must be fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than 10 MW of interconnected capacity at a point of common coupling to Company's distribution system. The distributed generation facility must connect in parallel to the Company's distribution system and must be an operable, permanently installed or mobile generation facility serving the Customer receiving retail electric service at the same site. For distributed generation facilities of less than 100 kW Cogeneration and Small Power Producer tariffs 901, 902, or 903 may more likely be economically advantageous. Service will be contracted for a minimum period of twelve months.

The interconnection and operation of distributed generation systems at each point of common coupling shall be considered as a separate application of the Rider. Customer and Company may pursue reasonable transactions outside the Rider; or in lieu of service under this Rider, Customer may take service, as applicable, under Company's Rates for Parallel Generation (Rates 901, 902, and 903) as established under Minnesota Rules 7835 – Cogeneration and Small Power Production. Service hereunder is subject to Minnesota Public Utility Commission approved Interconnection Process for Distributed Generation Systems and Distributed Generation Interconnection Requirements. This information is available via Alliant Energy's website at www.AlliantEnergy.com or by calling the Distributed Resources hotline at 1-800-972-5325. All provisions of the applicable standard service schedule shall apply to distributed generation service under this Rider except as noted below.

Meter Charge: \$1.94235 per day*

* For Comparison Only: Meter Charge \$59.08/month

Power and/or Energy Delivered to Customer:

Power and energy delivered to the Customer at the same location shall be billed on the appropriate retail rate schedule for the class of Customer served. The following charges and payments are applicable in addition to all charges for service being taken under Company's standard rate schedule:

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By: <u>Erik C. Madsen – Director, Regulatory Affairs</u>

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<u>Supply Services</u>: These include standby services such as scheduled maintenance, unscheduled outages and supplemental service as provided under Company's Rider for Standby and Supplemental Service. A DG facility of 60 kW or less is exempt from paying any standby charges. Standby service will be available to a DG facility of 60 kW or less through its base tariff rates. As an alternative to receiving standby service, Customer may elect to become a physical assurance customer. A physical assurance customer is a customer who agrees not to require standby services and has a mechanical device to insure that standby service is not taken. The cost of the mechanical device, which must be reasonable, is to be paid by the DG customer. Any stranded customer-related distribution costs that can be directly assigned to the physical assurance customer shall be recovered from the customer by applying an excess facilities charge rate of 1.6% per month to the total installed costs of the stranded facilities per IPL accounting records. Physical assurance customers will not otherwise incur a monthly customer or administrative charge.

<u>Transmission Services</u>: Transmission and distribution services will be provided at no charge. The Company reserves the right to monitor the impact of the costs of transmission and distribution services, and, if found to be inequitable to ratepayers, the Company will seek regulatory approval to develop appropriate charges for these services.

<u>Distribution Services</u>: Reservation and delivery of capacity and energy on either a firm or non-firm basis and those indirect services that are necessary to support the delivery of capacity and energy over Company's distribution system. These indirect services include allocated support services or expenses such as operation and maintenance, customer accounts, customer service and information, administrative and general, depreciation, interest and taxes.

<u>Power and/or Energy Delivered to Company:</u> Customer may sell all of the energy produced by the distributed generation system to the Company or use all or a portion of the distributed energy to meet its own electric requirements. The Company must buy all the energy offered for sale by the Customer selling power. The firm power capacity rates in effect at the time Customer enters into a power purchase agreement with Company shall remain in effect for the length of the agreement. Energy rates for use under the power purchase agreement for these sales from the Customer to the Company shall reflect current schedule. Upon written request by Customer and after signing a confidentiality agreement, Company shall provide Customer the current schedule of energy rates.

Firm Power Capacity:

Cost Component: \$5.78 per kW

<u>Firm Power Definition</u>: To qualify as firm power capacity under this rider, the Customer shall have supplied power to the Company accredited by MAIN's URGE test, regardless of when the power is delivered to the system. This capacity rate shall be adjusted to reflect the length of the contract, the time when the Company has a need for future capacity addition, Company Cost of Capital, and expected lifetime of future capacity additions.

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RATE DESIGNATION: RIDER DG-1

CLASS OF SERVICE: COGENERATION AND SMALL POWER PRODUCERS -

DISTRIBUTED GENERATION

SERVICE AREA: ALL MINNESOTA SERVICE AREA

<u>Energy</u>: Energy credits shall be based upon the Company's calculation of avoided energy costs. Energy credits for use under the power purchase agreement shall vary by month and time period (on-peak and off-peak). Upon written request by the Customer and after the customer signs a non-disclosure agreement with the Company, the Company shall provide the Customer the current schedule of energy credits. The Company shall update its current schedule of energy credits annually.

<u>Distribution Credits:</u> Distribution credits to Customer equals the utility's avoided distribution costs resulting from the installation and operation of the distributed generation system. Company shall provide, upon Customer's written request, a list of substation areas or feeders that could be likely candidates for distribution credits as determined through the utility's normal distribution planning process. Upon receiving an application from Customer for the interconnection and operation of a distributed generation system, Company shall perform an initial screening study to determine if the project has the potential to receive distribution credits. Customer shall be responsible for the cost of such screening study. If Company's study shows that there exists potential for distribution credits, Company shall, at its own expense, pursue further study to determine the distribution credit, as part of its annual distribution capacity study. If the study is not part of Company's annual distribution capacity study, it shall be pursued with Customer's approval at Customer's expense.

<u>Line Loss Credits:</u> If the Customer requests the Company to provide a specific line loss study, at the Customer's expense regardless of the study's outcome, customer may be eligible for additional line loss credits if the study supports such credits.

<u>Tradable Emissions Credits:</u> Tradable emissions credits to Customer equals the value of the emission credit to Company. Customer may receive either renewable credits or tradable emission credits but not both.

Metering: Separate metering will be required to measure power and/or energy delivered to the Company.

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RATE DESIGNATION: RIDER DG-1

CLASS OF SERVICE: COGENERATION AND SMALL POWER PRODUCERS -

DISTRIBUTED GENERATION

SERVICE AREA: ALL MINNESOTA SERVICE AREA

Renewable Credits: If Customer installs a renewable distributed generation system and Company's purchase of energy and capacity from such facility allows Company to meet a requirement to obtain renewable energy and capacity, then the purchase of such renewable energy and capacity shall equal the avoided cost of the renewable addition or purchase. The purchase price of the renewable credits associated with this renewable energy and capacity shall be net of payment for capacity and energy identified above. In the event that Customer receives renewable credits, that is, the Customer is paid by the Company the avoided cost of renewable energy purchases, then this transaction will constitute a transfer of property rights for those renewable attributes from the renewable energy generated from Customer to the Company.

Interconnection Charges: The costs of interconnecting a distributed generation facility and any costs associated with subsequent necessary modifications are the responsibility of the customer and the Company will assess the customer for all appropriate charges incurred by the Company. These include services such as engineering/design studies, utility system upgrades and testing as further described in Minnesota Public Utility Commission approved Interconnection Process for Distributed Generation Systems and Distributed Generation Interconnection Requirements.

<u>Rules and Regulations:</u> Service hereunder is subject to the provisions of the Company's Electric Service Standards and shall be available from Company at the rates and under the terms and conditions set forth in the currently applicable federal and/or state schedule, tariff or rider, or other superseding schedule, tariff or rider in effect from time to time. Such service shall include any additional services provided by Company under any revisions, amendments or additions to the OATT or MISO Schedules or other federal and/or state schedule, tariff or rider.

<u>Conditions:</u> The use of this rider 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 distributed generation facilities (DGF).

- 1. The Customer will be compensated monthly for all energy received from the DGF less the metering charge. The schedule for these payments is subject to annual review.
- 2. A separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company.
- 3. The DGF shall make provision for on-site metering. All energy received from and delivered to the Company shall be separately metered. On-site use of the DGF output shall be unmetered for purposes of compensation.
- 4. The Customer shall pay for any increased capacity of the distribution equipment serving them and made necessary by the installation of their generator.
- 5. Power and energy purchased by the DGF from the Company shall be under the Customer's retail rate to which this Rider is attached for the purchase of electricity.

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ORIGINAL VOLUME NO. 8 SECOND REVISED SHEET NO. 50 Canceling FIRST REVISED SHEET NO. 50

RIDER DG-1

RATE DESIGNATION:

CLASS OF SERVICE: COGENERATION AND SMALL POWER PRODUCERS –

DISTRIBUTED GENERATION

SERVICE AREA: ALL MINNESOTA SERVICE AREA

6. 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.

- 7. The Customer will provide equipment to maintain a 100% power factor (+ or 10%) during periods of generator operation.
- 8. 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.
- 9. Prior to installation, a detailed electrical diagram of the generator and related equipment must be furnished to the Company for its approval for connection to the Company's system. No warranties, express or implied, will be made as to the safety or fitness of the said equipment by the Company due to this approval.
- 10. The Customer shall execute an electric service contract with the Company which may include, among other provisions, a minimum term of service.
- 11. Equipment shall be provided by the Customer that provides a positive means of preventing feedback to the Company during an outage or interruption of the system.
- 12. The Customer shall install, own and maintain all equipment deemed necessary by the Company to assure proper parallel operation of the system.

Definitions:

Scheduled Maintenance service is energy, or energy and capacity, supplied by the Company during scheduled maintenance of the Customer's non-utility source of electric energy supply.

Supplemental service is energy, or energy and capacity, supplied by the Company to the Customer when Customer's non-utility source of electricity is insufficient to meet the Customer's own load.

Unscheduled Outage service is energy, or energy and capacity, supplied by the Company during unscheduled outages of the Customer's non-utility source of electric energy supply.

All other definitions shall be as described in IPL's Minnesota Distributed Generation Application Process, Minnesota Interconnection Application, Minnesota Interconnection Requirements, and Minnesota Interconnection Agreement.. This information is available via Alliant Energy's website at www.AlliantEnergy.com or by calling the Distributed Resources hotline at 1-800-972-5325

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