RATE DESIGNATION: 540
CLASS OF SERVICE: LARGE POWER AND LIGHTING INTERRUPTIBLE SERVICE (Page 1 of 4)
SERVICE AREA: ALL MINNESOTA SERVICE AREA

Availability: Applicable to commercial, industrial and institutional customers as single business establishments for all power, lighting and heating requirements, when all service hereunder is provided through one set of meters and at a single point of delivery. Customers with metered demands of less than 50 kW in any of 12 consecutive billing months and average metered energy of less than 20,000 kWh shall be transferred to the General Service Rate for a minimum period of 12 consecutive months.

Available to customers who agree and have the continuing ability and willingness to interrupt connected load from that normally required at the time and for the time duration determined by the Company. It must be demonstrated by the customer that the total interruptible load is that which is normally in operation during the Company's normal peak load periods of June through September.

Service Agreement: Customer shall be required to execute an agreement for a minimum term of 1 year for service under this rider which includes the initial Base Firm kW Load level the customer agrees will not be exceeded during load control periods.

Character of Service: Service will be rendered at the Company's standard secondary voltage, single or three phase, or at a primary voltage designated by the Company as the service voltage available in the area for the size of load to be served. Additional transformers not located at the point of delivery and special voltage transformers for lighting and other purposes shall be owned and maintained by the Customer.

Net Rate:

Basic Service: $8.21917 per day*

	Usage from June 1 through Sept. 30	Usage from Oct. 1 through May 31
Demand Charge	$15.14 per kW	$9.28 per kW
Demand Credit	$6.40 per kW	$3.89 per kW
kWh Charge:	All kWh/day @ 5.138¢ per kWh	All kWh/day @ 4.527¢ per kWh

* For Comparison Only: Basic service $250.00/month

Additional Billing Provisions:

Base Firm kW Load: For each Load Year beginning May 1, customer shall submit in writing no later than January 1, the Base Firm kW Load level which customer agrees will not be exceeded during load control periods for the ensuing twelve (12) months. A customer may decrease their base firm kW at any time and the revised base firm kW shall remain fixed for twelve months. The Base Firm kW Load shall not be less than 50 kW.

Billing Demand: The demand to be billed in any billing month shall be the maximum demand registered during the month.

Demand Credit: A credit shall be allowed each month which shall be the product of the seasonal rate per kW times the positive difference between the metered kW and the Customer's Base Firm kW Load level.

Minimum Monthly Bill: The minimum bill to be rendered for any billing period will be 75% of the Base Firm kW Load demand charges but not less than the demand charges for 50 kW.

Discounts:

Transmission Service: For service at 69 kV a discount from the above charges shall be in the amount of $1.30 per kW.

Primary Service: For service at primary distribution voltages, a discount from the above charges shall be allowed in the amount of 42¢ per kW. (This discount shall not be effective when customer receives the above transmission service discount.)

Primary Metering: If customer's load is metered at a primary voltage, a discount of 1.7% will be applied to the net monthly demand and energy charges as adjusted by the transmission or primary service discount, if applicable, to compensate for metered transformer losses.

Determination of Demand: The highest fifteen-minute integrated demand during the billing month, as metered by the Company.

Penalty for Demands in Excess of Base Firm kW Load: Customer is deemed to have failed to interrupt if it imposes load on the system that exceeds its contract firm demand during the period when it has been instructed to interrupt and it has not requested a buy-through. The penalties that will be imposed on Customer for failure to interrupt in addition to the charges billed according to the underlying tariff are the following:
For The First Penalty Instance:

(1) Upon notice from Company to interrupt, Customer decides whether to comply with the request, exercise a buy-through option if available or be subject to a non-compliance penalty for a failure to perform. Company will not assume Customer has bought through if there is excess kW over the base firm demand and a buy-through is available, but rather will only log and bill a buy-through upon explicit instructions from Customer. If Customer has advised Company of its intent to interrupt but fails to fully comply, then Customer must notify Company within one hour of the failure to comply of Customer's election to use an available buy-through.
(2) Customer will be levied a one-time fee of $26.27 per kW for each excess kW over the base firm demand.
(3) Customer will be billed for any energy (kWh) received during an interruption period above its base firm amount at the buy-through cost as defined in the buy-through provision of Company's interruptible tariff.
(4) Customer's base firm demand will be set at the highest level experienced during the period of the failure to interrupt and will remain at that level for twelve months, except that Customer will have one opportunity to re-qualify for a lower level after six months if Customer demonstrates that the non-compliance was unintentional, not the result of Customer negligence and upon consideration of all relevant circumstances is judged not likely to recur. Customer can re-qualify for a lower level once it notifies Company of its readiness to be interrupted at its proposed base firm demand and it successfully completes a test interruption called by Company, if Company in its sound discretion deems that a test is necessary. Company will conduct the test interruption to simulate to the maximum extent practicable the circumstances of a typical interruption and in no event shall the test interruption be more than 30 days after Customer's readiness notification.

For Penalty Instances in Subsequent Months and Within Twelve Months of the First Penalty:
The above provisions associated with the first penalty instance will apply except that (1) the one-time fee levied on each excess kW over the contract demand will be twice the amount applied for the first penalty and (2) Customer cannot qualify for a lower contract firm level until twelve months after this subsequent penalty.

Reactive Demand Charge: A reactive demand charge of $1.01 per kVAr will apply for that portion of the maximum kVAr registered during the month in excess of 50% of the maximum kW registered during the month.

Energy Supply Cost Adjustment: Rider 1M applicable hereto.

Resource Adjustment Charge: Rider RAC applicable hereto.

Conservation Improvement Program Cost Recovery Adjustment: Rider 1C applicable hereto.

Renewable Energy Recovery Adjustment: Rider RER applicable hereto.

Excess Facilities Charge: Any facilities required to provide service in excess of that permitted under this Schedule or the Company's Electric Service Standards shall be provided at a monthly amount equal to 1.6% of the Company's investment in such facilities.

Tax Adjustment: Rider MTX applicable hereto.

Late Payment Charge: A late payment charge of one and one-half percent per month shall be assessed on delinquent amounts in excess of $10.00. The minimum late payment charge assessed shall be $1.00. A bill becomes delinquent if not paid within 15 days after being rendered.

Rules and Regulations: Service hereunder is subject to the provisions of the Company's Electric Service Standards.

Additional Terms and Conditions:

1. Customer shall agree to reduce load to the Base Firm kW Load level on notice from Company for the period specified.

2. Customer may revise the predetermined Base Firm kW Load annually by contract amendment. On 24 hours' notice, Customer may elect to either cancel service under the interruptible option or increase its Base Firm Demand level during the course of the Load Year and Customer shall reimburse Company for related credits already received during the Load Year.

3. Company's interruptible program is designed to serve reliability and energy efficiency purposes. Below are four conditions that Company will follow when deciding whether to enact an interruption. Condition 1 is driven by reliability considerations, and conditions 2 and 3 are based on energy efficiency. Condition 2 is designed to reduce peak demand, and condition 3 is designed to reduce energy usage. Company shall interrupt if it is anticipated that any one of following four conditions exists:
   (1) Reliability**:** Interruptions are necessary to maintain safe and reliable system operations and meet obligations to other interconnected systems.
   (2) Energy Efficiency—Reducing Peak Demand: Company would expect to experience less than planning reserve margin for the current year, where (i) planning reserve margin is defined as the amount by which capacity resources exceed Customer firm demand expressed as a percent of Customer firm demand, and (ii) Customer firm demand is defined as the load forecast of firm demand assuming normal (or 50-50) summer peak weather.

(3) Energy Efficiency—Reducing Energy Usage: The day-ahead locational marginal price (LMP) for Company's load zone in the Midwest Independent Transmission System Operator, Inc. (MISO) footprint is at the "running on oil" level for at least four consecutive hours or the rolling four-hour average real-time LMP for Company's load zone exceeds the "running on oil" level, where the "running on oil" level is a predetermined LMP defined by an assumed heat rate of 13.5 million Btu per MWH and a spot market price for No. 2 oil.

(4) Program Quality Control: Reasonable interruptions are necessary to test the capabilities of Customers. If there are no interruptions for conditions 1, 2 or 3 in a year by August 1, then Company will conduct a test interruption of all Customers. The test will be conducted by Company between August 1 and September 16 under circumstances as close as possible to a condition 2 or condition 3 interruption. Additionally, Company retains the prerogative to conduct a test of any Customer at any time of the year if it determines in its sound discretion that such a test is necessary to preserve the integrity of the program.

4. The duration of the interruption period and the frequency of interruptions shall be at Company discretion.

5. In allowing service under this rate, the Company reserves the right of assurance that the interruptible load of any customer has a reasonable probability of being on the Company's peak load periods. Initially, such probability could be demonstrated by the customer's demand level during the shoulder peak months of March, April, May and November when the customer's total kW demand would be reasonably equal to the base firm kW load. The Company shall consider on-peak load factors as well as temperature sensitive loads in making this determination.

6. For interruptions invoked under conditions 2, 3 and 4, the shortest amount of time between the time when Customer is notified that it has to be in interruptible compliance and the time when it must be in compliance to avoid a penalty will be two hours. For interruptions invoked under condition 1 (reliability), Customer may be asked to interrupt immediately and will be expected to make its best efforts to comply immediately if asked to interrupt immediately. Under condition 1 interruptions, non-compliance penalties will not be assessed for Customer behavior within the two hour period from the time when Customer is called to interrupt.

7. In the event a Customer is notified to curtail for conditions 2 or 3 of the interruptible program decision rule, Customer can elect to buy through the period of curtailment and be in compliance with the Interruptible Service Penalty of this rider. The buy-through cost will be computed as each hourly kW priced at the ALTW.ALTW node real-time LMP price plus a 12% adder for any incremental administrative and MISO-related charges, less the energy adjustment clause factor for the month. The 12% adder will be applied for the first year and then revised annually as needed to reflect expected MISO-related costs and administrative and regulatory costs associated with a Customer's buy-through election.

8. The customer may be subject to facilities charges to cover additional investment and expense such as for metering if necessary, to verify the amount of load interrupted and/or any required load control devices.

9. Company shall not be liable for any loss, damage or injury to the customer or to any other person, firm, or corporation because of interruption or curtailment of service under this rider.

10. For interruptible loads in excess of 1,000 kW, Company reserves the right to establish interruptible load steps, as agreed upon between Company and Customer, and as allowed by Customer's equipment. Company shall not be required to establish interruptible load steps that would, in its opinion, burden the administration of this rider.