

SCHEDULE 4 – WHOLESALE RATES

Wholesale Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Utility purchases energy and capacity from Minnesota Power at a combined rate that varies by month according to a wholesale fuel cost adjustment. Last year, the average energy and capacity rate paid by Utility was \$0.0595 per kilowatt-hour.

This rate is used to calculate Utility’s “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Utility’s average retail utility energy rate or who elect compensation at another rate.