

SCHEDULE 1 – AVERAGE RETAIL UTILITY ENERGY RATES

**Average Retail Utility Energy Rate:** Available to any Qualifying Facility of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Utility shall bill Qualifying Facilities for any excess of energy supplied by Utility above energy supplied by the Qualifying Facility during each billing period according to Utility's applicable rate schedule. Utility shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Utility during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

"Average retail utility energy rates" are as follows:

<b>Customer Class</b>	<b>Average Retail Utility Energy Rate</b>
Residential	\$0.1390/Kwh
Commercial	\$0.1387/Kwh
Industrial	\$0..1206/Kwh

## 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 \$0.07211 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.