

Appendix B

Redlined Rate Schedules



Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
OCCASIONAL DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	71-902
Base Avoided Costs plus Renewable Energy Credit	71-905

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

AVAILABILITY: This rider is available to any small qualifying facility (SQF) not exceeding 100 kW of certified generating Capacity.

METERING CHARGE: \$3.70 per month

PAYMENT SCHEDULE:

Base Avoided Costs ~~3.2962~~^{3.3940}¢ per kWh

Base Avoided Costs plus Renewable Energy Credit ~~3.3940~~^{3.3940}¢ per kWh

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 rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.

TERMS AND CONDITIONS: 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 small qualifying facilities (SQF).

1. The Customer is required to follow the Company’s interconnection process, which requires that prior to installation, the Customer complete the Interconnection Agreement for Small Generator Facility Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection. The Interconnection Agreement is according to the procedures set forth in ARSD chapter 20:10:36. The Customer is also required to follow the Company’s Guidelines for Generation, Tie-Line, and Substation Interconnections.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Filed on: ~~January 14, 2014~~<sup>December 31,
2012</sup>

Thomas R. Brause
Vice President,
Administration

EFFECTIVE with bills
rendered on and after
March 1, 201~~4~~³,
in South Dakota



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 12.01
ELECTRIC RATE SCHEDULE
Small Power Producer Rider
Occasional Delivery Energy Service

~~Fifth~~~~Fourth~~ Revised Sheet No. 3, Cancelling ~~Fourth~~~~Third~~ Revised Sheet No. 3

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subcontractors. The SQF will keep in force general liability insurance consistent with the rules set forth in ARSD chapter 20:10:36.

- 11. Except in cases of emergency, the Customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
- 12. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$0. ~~9872~~/MWh (\$0.000~~9872~~/kWh), as shown in the payment schedule.

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UTILITIES COMMISSION
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Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs – On-Peak	71-903
Base Avoided Costs – Off-Peak	71-906
Base Avoided Costs plus Renewable Energy Credit – On-Peak	71-907
Base Avoided Costs plus Renewable Energy Credit – Off-Peak	71-908

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

AVAILABILITY: This rider is available to any small qualifying facility (SQF) not exceeding 100 kW of certified generating Capacity.

CUSTOMER CHARGE: \$8.94 per month

PAYMENT SCHEDULE:

ENERGY PAYMENTCREDIT		
Base Avoided Costs	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.1183.365¢ per kWh	2.67754¢ per kWh
Winter	3.759268¢ per kWh	2.883690¢ per kWh
Base Avoided Costs Plus Renewable Energy Credit	<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.2163.437¢ per kWh	2.775726¢ per kWh
Winter	3.857340¢ per kWh	2.981762¢ per kWh

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 rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.



Fergus Falls, Minnesota

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4. If required, a separate meter will be furnished, owned and maintained by the Company to measure the energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request.
5. The SQF shall make provisions for the installation of Company-owned, on-site metering. All energy received from and delivered to the Company shall be metered. Onsite use of the SQF output shall be unmetered for purposes of compensation unless the SQF desires to sell all its generated output to, and purchase all of its energy from, the Company.
6. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
7. Power and energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
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. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
10. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors. The SQF will keep in force, general liability insurance consistent with the rules set forth in ARSD chapter 20:10:36.
11. Except in cases of emergency, the Customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
12. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$0.~~9872~~/MWh (\$0.000~~9872~~/kWh), as shown in the payment schedule.



Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
DEPENDABLE SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs – On-Peak	71-904
Base Avoided Costs – Off-Peak	71-909
Base Avoided Costs plus Renewable Energy Credit – On-Peak	71-910
Base Avoided Costs plus Renewable Energy Credit – Off-Peak	71-911

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

AVAILABILITY: Available to any small qualifying facility (SQF) not exceeding 100 kW of certified generating Capacity, which is capable of delivering power and energy to the Company on a dependable basis.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

CUSTOMER CHARGE: \$8.97 per month

PAYMENT SCHEDULE: Energy payment will be adjusted annually to reflect energy costs.

ENERGY PAYMENT			
Base Avoided Costs		<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.1183.365¢	per kWh	2.67754¢ per kWh
Winter	3.759268¢	per kWh	2.883690¢ per kWh
Base Avoided Costs Plus Renewable Energy Credit		<u>On-Peak</u>	<u>Off-Peak</u>
Summer	4.2163.437¢	per kWh	2.775726¢ per kWh
Winter	3.857340¢	per kWh	2.981762¢ per kWh



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CONTRACT TERM	CAPACITY PAYMENT
60 mos.	\$ 0.009.76 per kW
120 mos.	\$ 9.2010.46 per kW
180 mos.	\$ 9.8411.14 per kW
240 mos.	\$ 10.4711.80 per kW
300 mos.	\$ 11.1012.43 per kW
360 mos.	\$ 11.7313.04 per kW
420 mos.	\$ 12.3813.65 per kW

Total Capacity payment equals (accredited Capacity value of the QF) times (Capacity ratio) times (appropriate levelized Capacity rate).

~~Or~~ If the Qualifying Facility is dispatchable by Otter Tail and tested under the Mid-continent Independent System Operator (MISO) tariff~~Midwest Reliability Organization (MRO)~~, then the Capacity ratio automatically equals 1.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, 30 or 35 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average Capacity compensation per month and the result multiplied by six months. The average Capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, Capacity compensation from the initiation of the contract will be recalculated at the Capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:



Fergus Falls, Minnesota

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6. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
7. Power and energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
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. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and generator Capacity rating.
10. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors. The SQF will keep in force liability general insurance consistent with the rules set forth in ARSD chapter 20:10:36.
11. Except in cases of emergency, the customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
12. Any renewable energy credits associated with the renewable energy sold to the Company will be transferred to the Company and the renewable generator will be compensated an additional payment of \$0.~~9872~~/MWh (\$0.000~~9872~~/kWh), as shown in the payment schedule.