SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES

AVAILABILITY

This rate schedule is available to owners of Qualifying Facilities as defined by 18 CFR Part 292, Subpart B that are electric Customers of the Company and meet each of the following conditions:

- Have qualifying facility status under 18 CFR 292, whether by self-certification or otherwise;
- Have entered into an electric service agreement with MidAmerican for interconnection and operation of on-site parallel distributed generation systems; and
- Have a nameplate capacity of 100 kW or less.

LIMITATIONS OF THIS SERVICE

The rates, terms and conditions for purchases by the Company from a Qualifying Facility which is located in the Company's South Dakota service area and has a design capacity of greater than 100 kilowatts, will be determined in a contested case proceeding before the Commission unless rates are otherwise agreed to in a written contract entered into by the Company and the Qualifying Facility.

The Company is not required to enter into contracts with any Qualifying Facility with net capacity of greater than 20,000 kilowatts pursuant to the order of the Federal Energy Regulatory Commission in Docket No. QM-09-5-000 issued August 12, 2009.

For information on non-discriminatory access to markets, the Qualifying Facility should contact the Midcontinent Independent System Operator, Inc.

SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES
(continued)

NET MONTHLY RATE

The Net Monthly Purchase Rate shall be the sum of the Basic Service Charge, the applicable Energy Credit, and the applicable Capacity Credit.

Basic Service Charge: $20.00 per month

Energy Credit:

	Summer	Winter	
On Peak - All kilowatt-hours	$0.0461 per kWh	$0.0329 per kWh	I/I
Off Peak - All kilowatt-hours	$0.0257 per kWh	$0.0226 per kWh	I/R

Summer: Applicable during the four (4) monthly billing periods of June through September.

Winter: Applicable during the eight (8) monthly billing periods of October through May.

On-Peak Hours: Hours between 6:00 a.m. and 10:00 p.m. Monday through Friday.

Excluding the United States legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Off-Peak Hours: All hours not included in the definition of On-Peak Hours.

SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES
(continued)

NET MONTHLY RATE (continued)

Capacity Credit:

Applicable for generation capacity received only during the summer, and summer on-peak periods defined above.

Capacity credit will be based on current capacity rates, presently $46.06/kW/Year, and will be the lesser amount as determined by either Method 1 or Method 2, as follows: I

Method 1 (Optional Time-of-Day):

$$A = \frac{B}{C} \times D$$

where:

A is the capacity credit.
B is the kWh delivered during the applicable summer on-peak period.
C is the number of hours in the applicable summer on-peak period.
D is the capacity charge of $11.51/kW ($46.06 ÷ 4 summer months). I/I

Method 2 (Standard):

$$A = \frac{B}{C} \times D$$

where:

A is the capacity credit.
B is the kWh delivered during the applicable summer month.
C is the number of hours in the applicable summer month.
D is the capacity charge of $11.51/kW ($46.06 ÷ 4 summer months). I/I

SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES
(continued)

ADJUSTMENT CLAUSES AND RIDERS

The above rates are subject to:

1. ETA – Electric Tax Adjustment clause

BILLING AND PAYMENT

The Company shall provide to the Qualifying Facility, and the Qualifying Facility shall pay for, electric service at the rate(s) on file with the South Dakota Public Utilities Commission for sales to other Customers with similar load or other cost-related characteristics.

A Service Charge shall be paid by the Qualifying Facility to the Company in order to cover recurring costs for meter reading, bill and credit calculations, and accounting and related matters. The Service Charge is subject to the Tax Adjustment.

Customer billing or payment each month will be net of interconnection sales and purchases as separately stated.

Billing by the Company shall be rendered monthly. The term “monthly” for billing purposes hereunder shall mean the period between any two (2) consecutive regular readings by the Company for the meter(s) at the Qualifying Facility, such readings to be taken as nearly as may be practicable every thirty (30) days. The billings shall be calculated using the applicable rate(s).

SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES
(continued)

BILLING AND PAYMENT (continued)

Bills are due within twenty (20) days from the date the bill is rendered to the Customer. A late payment charge of one and one-half percent (1.5%) per month shall be added to the past due amount if the bill is not paid by the due date.

Payment by the Company, if any, shall be made to the Qualifying Facility within twenty (20) days from the date the meter is read. The Company's obligation for billing and payment to the Qualifying Facility for energy delivered to the Company shall not commence until the Company has provided written approval for operation.

CONTRACT TERMS AND CONDITIONS

The provisions of this rate schedule shall be deemed to be terms and conditions of the written contract entered into by the Company for deliveries of energy from Qualifying Facilities to the Company and purchases of energy by Qualifying Facilities from the Company. A copy of this tariff will be provided to the Qualifying Facility. This rate schedule is subject to change upon approval by the South Dakota Public Utilities Commission. In addition, service hereunder is subject to the terms and conditions outlined in subsection "Electric Interconnection of Distributed Generation Facilities" within SECTION 5 – RULES AND REGULATIONS FOR ELECTRIC SERVICE of this tariff.

SECTION 3 – ELECTRIC RATE SCHEDULES
RATE QF – COGENERATION & SMALL POWER PRODUCTION FACILITIES
(continued)

ADDITIONAL PROVISIONS

Administrative Rules: Qualifying Facilities must comply with all applicable rules of the South Dakota Public Utilities Commission.

Excess Production: The owner or operator of a Qualifying Facility may elect to deliver all of the Qualifying Facility's production to the Company under this rate schedule, or may elect to deliver a portion of the production in excess of the Qualifying Facility's own requirements but may not alternate between such elections except that the election may be revised after twelve (12) months have elapsed. T

Permits and Inspection Fees: The Qualifying Facility shall secure without cost to the Company all necessary permits for the installation and operation of the electrical wiring and equipment on the Qualifying Facility's premises and to the point of interconnection. If the Qualifying Facility is not the owner of the premises, or of intervening property between the premises and the Company's lines, the Qualifying Facility shall obtain from the proper owner, or owners, the necessary easement for the installation and maintenance on said premises or such intervening property of all wiring and other electrical equipment required for sale of electricity to the Company.