MINNESOTA VALLEY COOPERATIVE LIGHT AND POWER ASSOCIATION SCHEDULES FOR CO-GENERATION AND SMALL POWER PRODUCTION

Single Phase Average Retail Rate

kWh's Sold	122,044,945
Availability Charges	\$ 1,153,416
Total Charges	\$ 14,115,314
Energy Charges	\$ 12,961,899
Average Retail Rate/kWh	\$ 0.10620

Average Retail Rate: \$0.10620 per kWh (Single Phase)

Three Phase Average Retail Rate

kWh's Sold		17,313,403
Availability Charges	\$	69,384
Total Charges	\$	1,836,638
Energy Charges	_\$	1,767,254
Average Retail Rate/kWh	\$	0.10210

Average Retail Rate: \$0.10210 per kWh (Three Phase)

Single Phase Distribution Facility Charge

Annual Revenue Requirements	\$	15,516,833
Less: Annual Purchased Power Expense	\$	6,892,613
Annual Distribution Fixed Costs	\$	8,624,220
Less: Annual Customer Charge Revenue	\$	1,335,180
Distribution Fixed Costs Recovered in Energy Rate	\$	7,289,040
Annual Energy Sales (kWh)	÷	118,565,295
Distribution Fixed Costs Recovered in Energy Rate	= \$	0.06150

Distribution Facility Charge: \$0.06150 per kWh (Single Phase)

^{*}Based off of actual usage

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^{*}The Distribution Facility Charge is the portion embedded in the Energy Charge that is specific to the Cooperative's fixed costs. This is based off of the most recent Cost of Service Study.

Three Phase Distribution Facility Charge

Annual Revenue Requirements	\$	2,226,611
Less: Annual Purchased Power Expense	\$	1,346,735
Annual Distribution Fixed Costs	\$	879,876
Less: Annual Customer Charge Revenue	\$	64,680
Distribution Fixed Costs Recovered in Energy Rate	\$	815,196
Annual Energy Sales (kWh)	÷	21,269,368
Distribution Fixed Costs Recovered in Energy Rate	= \$	0.03830

Distribution Facility Charge: \$0.03830 per kWh (Three Phase)

*The Distribution Facility Charge is the portion embedded in the Energy Charge that is specific to the Cooperative's fixed costs. This is based off of the most recent Cost of Service Study.

SCHEDULE 3

Interconnection of all Co-Generation and Small Power Production Equipment shall comply with all standards applicable to the installation.

American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE 1547)
National Electrical Safety Code (NESC) National Electrical Code
(NEC)

NOTICE

COGENERATION AND SMALL POWER PRODUCTION NOTICE

The Minnesota State Legislature recently passed, and the Governor signed into law, legislation that allows electric cooperatives to adopt the authority implementing self-governing of distributed generation sites (Minnesota Statute 216B.164). To do so the cooperative had to pass a resolution adopting this authority and adopt rules implementing this section of statute.

The purpose of this change is to secure local decision-making. The Cooperative will provide information regarding rates and interconnection requirements to all interested members free of charge upon request (www.mnvalleyrec.com). An application of interconnection is required for a Qualifying Facility to interconnect and operate in parallel with the Cooperative's distribution system and is subject to approval by the Cooperative.

Any disputes between the Cooperative and its members over interconnection, sales and purchases can be resolved between those parties and may be taken to a mutually agreed upon mediator as outlined in the rules implementing 216B.164.

Members interested in obtaining further information should contact Scott Kubesh

Minnesota Valley Member Services Department at: 320.269.2163/800.247.5051

501 S 1st St Montevideo, MN 56265