

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

Single Phase Average Retail Rate

kWh's Sold		125,306,655
Availability Charges	\$	1,854,300
Total Charges	\$	15,881,376
Energy Charges	\$	14,027,076
Average Retail Rate/kWh	\$	0.1119

Average Retail Rate: \$0.1119 per kWh (Single Phase)

*Based off of actual usage

Single Phase Distribution Facility Charge

Annual Revenue Requirements	\$	18,908,584
Less: Annual Purchased Power Expense	\$	8,184,323
Annual Distribution Fixed Costs	\$	10,724,261
Less: Annual Customer Charge Revenue	\$	2,166,360
Distribution Fixed Costs Recovered in Energy Rate	\$	8,557,901
Annual Energy Sales (kWh)	÷	138,902,481
Distribution Fixed Costs Recovered in Energy Rate	= \$	0.0616

Distribution Facility Charge: \$0.06160 per kWh (Single 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.

Single Phase	ARR	DRF	Total
Compensation Rate ARR-DRF	\$ 0.1119	0.0616	\$ 0.0503

Three Phase Average Retail Rate

kWh's Sold		13,893,903
Availability Charges	\$	96,600
Total Charges	\$	1,731,395
Energy Charges	\$	1,634,795
Average Retail Rate/kWh	\$	0.1177

Average Retail Rate: \$0.1177 per kWh (Three Phase)

*Based off of actual usage

Three Phase Distribution Facility Charge

Annual Revenue Requirements	\$	106,919
Less: Annual Purchased Power Expense	\$	44,468
Annual Distribution Fixed Costs	\$	62,451
Less: Annual Customer Charge Revenue	\$	19,320
Distribution Fixed Costs Recovered in Energy Rate	\$	43,131
Annual Energy Sales (kWh)	÷	581,958
Distribution Fixed Costs Recovered in Energy Rate	= \$	0.0741

Distribution Facility Charge: \$0.0741 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.

Three Phase	ARR	DRF	Total
Compensation Rate ARR-DRF	\$ 0.1177	0.0741	\$ 0.0436

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

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