

SCHEDULE 72
CONTRACT RATE SERVICE

Availability

Available at Association's discretion, within its assigned service territory, to large Commercial and Industrial members that are subject to effective competition and have electric service requirements as described in the Terms and Conditions of Service clause. Effective competition exists if the member has the ability to obtain its energy requirements from an energy supplier not rate-regulated by the Minnesota Public Utilities Commission (Commission). Service will be provided under the terms of a member-specific electric service agreement.

Rate

Applicable charges will be detailed in an electric service agreement.

Terms and Conditions of Service

1. Individual contract rates will only be offered in coordination with Dakota Electric's wholesale power supplier.
2. Minimum load served under this Contract Service is 10 MW.
3. Distribution and/or transmission facilities to serve the Contract Service load will be provided as specified in the electric service agreement with the member. A contribution in aid of construction (CIAC) will be required if the estimated investment in distribution and/or transmission facilities is not justified by the anticipated revenue.
4. Member must execute an electric service agreement with Association which will at a minimum include:
 - a. Location of the consumer site within the Cooperative's service territory.
 - b. Affirmation that 1) the consumer is able to locate the load/facility at another site and obtain energy requirements from an energy supplier that is not regulated by the Commission and 2) that the consumer is not likely to take service from the Cooperative if the consumer was charged the Cooperative's standard tariffed rate.
 - c. Identification of billing components and rates to be applied to each component.
 - d. The term of service under this Contract Service.
 - e. The size of the load (in MW) served under this Contract Service.
 - f. Identification of any distribution and/or transmission facilities that must be installed to serve the Contract Rate Service load and the responsibility for installation and future maintenance costs.
 - g. Verification that member has been fully informed of the availability of an electric energy review. If no electric energy review is performed for the member, an explanation of why an electric energy review was not necessary will be included.

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(Continued)

1. Each member receiving service under the Contract Rate Service will be responsible for all wholesale power costs associated with their electric service. The Association will track the wholesale power costs associated with all contract rates and exclude them from both the calculation of the base cost of power in future rate cases and the calculation of the Power Cost Adjustment Charges in the Resource and Tax Adjustment filings to the Commission.
2. A rate under this Contract Service will meet the conditions of Minnesota Statutes, Section 216B.03, Reasonable Rate, for other members in this same member class.
3. A rate under this Contract Service will not compete with district heating and cooling provided by a district utility defined by Minnesota Statutes, Section 216B.166, Subdivision 2, paragraph (c).
4. A rate offered under this Contract Service will not be offered to a member in whom the Association has a financial interest greater than 50 percent.
5. Contract rates must be approved by the Commission before becoming effective.

Regulatory Review

Dakota Electric must file any proposed contract rates for individual members with the Commission. Such filings will clearly identify all confidential information as trade secret with designations as specified in Minnesota Rules. The Association will at a minimum include the following information in Contract Rate filings:

1. Information required in "Miscellaneous Filings" to the Commission as specified in applicable Minnesota Rules.
2. Information included in the electric service agreement.
3. Identification of wholesale power costs and responsibility of the member for all such costs.
4. Documentation of incremental cost recovery for service to the contract rate consumer and evaluation of impact on other Cooperative members.

The Commission will approve, modify, or reject the contract rate filing under this Contract Rate Service within 90 days. If the Commission approves the contract rate, it becomes effective as agreed to by the Association and member. If the contract rate is modified by the Commission, the Commission shall issue an order modifying the contract rate subject to the approval of the Association and the member. Each party has ten days in which to reject the proposed modification. If no party rejects the proposed modifications, the Commission's order becomes final. If either party rejects the Commission's proposed modifications, the Association on its behalf or on behalf of the member, may submit to the Commission a modified version of the Commission's proposal. The Commission shall accept or reject the modified version within 30 days. If the Commission rejects the contract rate, it shall issue an order indicating the reasons for the rejection.