

**STANDBY SERVICE**

	<u>OPTION A: FIRM</u>		<u>OPTION B: NON-FIRM</u>	
	On-Peak	Off-Peak	On-Peak	Off-Peak
Transmission Service	927	928	937	938
Primary Service	923	924	933	934
Secondary Service	925	926	935	936

**APPLICATION OF SCHEDULE:** This schedule, including Attachment 1 - Definitions, provides **Backup, Scheduled Maintenance, and Supplemental Services**, is applicable to any customer who has the following conditions:

1. Requests to become a **Standby Service Customer** of the Company. Otherwise, the Company views the Customer as a **Non-Standby Service Customer**;
2. Utilizes **Extended Parallel Generation Systems** to meet all or a portion of electrical requirements, which is capable of greater than 60 kW, and;
3. Enters into a contract to sell output from the generator. Contracts will be made for this service provided the Company has sufficient capacity available in production, transmission and distribution facilities to provide such service at the location where the service is requested.

The Company delivers 60 hertz, single or three-phase, alternating current service at transmission, primary or secondary voltage under this rate schedule, supplied through one meter.

As available and at the Company’s option, such service shall be supplied at available voltage. All equipment to be served must be of such voltage and electrical characteristics that it can be served from the circuit provided for the main part of the load. The electricity used must be able to be properly measured by the meter ordinarily installed on such a circuit. If the equipment to be served is such that this is impossible, the customer must provide any necessary transformers, autotransformers, or other devices suitable for connection to the circuit provided by the Company.

Intermittent and highly fluctuating loads may require a separate service line or transformer and separate metering and billing.

Power production equipment at the Customer site shall not operate in parallel with the Company’s system until the installation has been inspected by an authorized Company representative and final written approval is received from the Company to commence parallel operation.

**STANDBY RATE OPTIONS - FIRM AND NON-FIRM**

**OPTION A: FIRM STANDBY**

	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
<b>FIRM STANDBY FIXED CHARGES:</b>			
Customer Charge	\$ 120.00/mo	\$ 120.00/mo	\$ 120.00/mo
Standby charge per <b>month</b> per kW of Contracted Backup Demand	\$ 4.99/kW	\$ 5.22/kW	\$ 5.47/kW
<b>FIRM STANDBY ON-PEAK DEMAND CHARGE</b>			
Metered Demand per <b>day</b> per kW On-Peak Backup Charge	\$0.36/kW	\$0.37/kW	\$0.39/kW
<b>FIRM STANDBY ENERGY CHARGES</b>			
Energy Charges per kWh			
On-peak Charge	\$0.03087	\$0.03150	\$0.03213
Off-Peak Charge	\$0.02062	\$0.02100	\$0.02142

**OPTION B: NON-FIRM STANDBY**

	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
<b>NON-FIRM STANDBY FIXED CHARGES:</b>			
Customer Charge	\$ 120.00/mo	\$ 120.00/mo	\$ 120.00/mo
Standby charge per <b>month</b> per kW of Contracted Backup Demand	\$ 0.00/kW	\$ 4.50/kW	\$ 4.73/kW

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STANDBY RATE OPTIONS, OPTION B: NON-FIRM (continued)

NON-FIRM STANDBY ENERGY CHARGES:

	<u>Transmission Service</u>	<u>Primary Service</u>	<u>Secondary Service</u>
Energy Charges per kWh			
On-peak Charge	Not Available	Not Available	Not Available
Off-Peak Charge	\$0.02062	\$0.02100	\$0.02142

**MONTHLY MINIMUM CHARGE:** The sum of the Customer Charge and the Standby Charge for **Contracted Backup Demand**.

**DETERMINATION OF METERED DEMAND:** Metered **Demand** shall be based on the maximum kW registered over any period of one hour during the month in which the bill is rendered.

**TERMS AND CONDITIONS:**

1. Company's meter will be detented to measure power and energy from Company to Customer only. Any flow of power and energy from Customer to Company will be separately metered under one of Company's Purchase Power Rate Schedules, Distributive Generation Rider, or by contract.
2. Option A - Firm Standby: Exclusive of any scheduled maintenance hours, if the number of hours on which **Backup Service** is supplied exceeds 180 on-peak hours per season, Customer may be required to take service under a standard, non-standby, rate schedule.
3. Option B – Non-Firm Standby: **Backup Service** is not available during any on-peak season. This service is only available in the **Summer Off-Peak** and **Winter Off-Peak** hours on a non-firm basis. The Company makes no guarantee that this service will be available, however, the Company will make reasonable efforts to provide **Backup Service** under Option B whenever possible.
4. One year (12 months) written notice to Company is required to convert from this standby service to regular firm service, unless authorized by the Company.
5. Any additional facilities, beyond normal transmission and distribution facilities, required to furnish service will be provided at Customer's expense.
6. Customer shall indemnify Company against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be

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(6. Continued) caused by the erection, maintenance, presence, or operation of the customer generation facility or by any related act or omission of the Customer, its employees, agents, contractors or subcontractors.

7. During times of Customer generation, Customer will be expected to provide vars as needed to serve their load. Customer will provide equipment to maintain a unity power factor + or - 10% for **Supplemental Service**, and when Customer is taking **Backup Service** from Company.

**COST OF ENERGY ADJUSTMENT:** The energy charges under this schedule are subject to a Cost of Energy Adjustment as provided for in Rate Designation M-60M, or any amendments or superseding provisions applicable thereto.

**CUSTOMER CONNECTION CHARGE:** Refer to Rate Schedule, Rate Designation M-61M and Payment Policy Rate Schedule, Rate Designation M-62M.

**CUSTOMER SERVICE GUARANTEE:** Refer to Rate Schedule, Rate Designation M-65M. Service connection will be made by the date promised or OTP will pay the customer \$50.00 for each working day up to \$250.00 that we are late. If repair to your rental security light is not made within 5 working days after notification, OTP will provide one month of free electric service for that unit. If your electric service bill is inaccurate, it will be corrected and we will award you 10 percent of the error, with the minimum being \$10.00 and a maximum of \$500.00. (Does not apply to estimated or prorated bills or self-read meters.)

**PAYMENT:** Refer to Payment Policy Rate Schedule, Rate Designation M-62M, superseding amendments, or provisions allowed by law.

**CONTRACT PERIOD:** Standby Service is applicable only by signed agreement, setting forth the location and conditions applicable to the electric service, such as the **Contracted Backup Demand**, type of standby service (Option A or B), excess facilities required for service and other applicable terms and conditions, and providing for an initial minimum contract period of one year, unless otherwise authorized by Company.

**REGULATIONS:** General Rules and Regulations govern use under this schedule.

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**ATTACHMENT NO. 1**  
**DEFINITIONS AND USEFUL TERMS**

**Backup Demand** (a component of Backup Service) is the demand taken when on-peak demand provided by Company is used to make up for reduced output from Customer's generation. The total monthly backup charge will not exceed the sum of the ten highest daily charges for Backup Demand, if any.

**Backup Service** is the energy and demand supplied by the utility during unscheduled outages of the Customer's generator.

**Billing Demand** is the customer's Demand used by the Company for billing purposes.

**Capacity** is the ability to functionally serve a required load on a continuing basis.

**Contracted Backup Demand** is the amount of capacity selected to backup the customer's generation, not to exceed the capability of the Customer's generator.

**Demand** is the rate at which electric energy is delivered to or by a system, part of a system, or a piece of equipment and is expressed in kilowatts ("kW") or megawatts;

**Energy** is the customer's electric consumption requirement, measured in kilowatt-hours ("kWh");

**Extended Parallel Generation Systems** are generation systems that are designed to remain connected in parallel to and in phase to the utility distribution system for an extended period of time

**Excess Distribution Facility Investment** are distribution facilities required to provide service to the distributed generation system that are not provided in the Company retail service schedules. The Customer is required to pay up-front for these facilities and pay maintenance costs as long as the facilities are required.

**MAPP** is the Mid-Continent Area Power Pool or any successor agency assuming or charged with similar responsibility.

**Non-Standby Service Customer** is a customer that a) does not request and receive approval of Standby Services from the Company or, b) is exempt from paying any standby charges as allowed by law or Commission Order, or, c) in lieu of service under this tariff, may provide physical assurance, or d) will take service from any of the Company's other approved tariffs. In any Non-Standby Service Customer situation, a **Special Minimum Demand** may apply and is subject to approval by the Minnesota Public Utilities Commission.

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**Physical Assurance Customer** is a customer who agrees not to require standby services and has an approved mechanical device, inspected and approved by a Company representative, to insure standby service is not taken. The cost of the mechanical device is to be paid by the Customer.

**Scheduled Maintenance Service** is defined as the energy and demand supplied by the utility during scheduled outages. The daily on-peak backup demand charge under Variable Charges of the "Rate" section will be waived for a maximum continuous period of 30 days per calendar year to allow for maintenance of customer generation source. Waiver is only valid during the months of April, May, October, and November, and with a minimum of five working days (excludes weekend and holidays) written notice to Company. In certain cases, such as very large customers, the Company and the customer will mutually agree to different maintenance schedules as listed above.

**Special Minimum Demand** is a special demand calculation that the Company may use at its option. The Company must obtain approval from the Minnesota Public Utilities Commission. The terms are outlined in Rate Designations C-02M and C-09M.

**Standby Service Customer** is a customer who receives the following services from the Company, Rate Designation C-10M; backup power for non-Company generation, supplemental power, and scheduled maintenance power. These services are not applicable for resale, municipal streetlighting, or customers with emergency standby generators

**Summer On-Peak:** May 1 through October 31 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday.

**Summer Off-Peak:** All other hours including the three holidays of Memorial Day, Independence Day and Labor Day

**Summer Season** is the period from May 1 through October 31.

**Supplemental Service** is the energy and demand supplied by the utility in addition to the capability of the on-site generator. Except for determination of Demand, Supplemental Service shall be provided under Standard Rate Schedule C-09M

**Supplemental Demand** (a component of Supplemental Service) is the metered demand measured on Company meter during on-peak and off-peak periods, less Contracted Backup Demand

**Winter Season** is the period from November 1 through April 30

**Winter On-Peak:** November 1 through April 30 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday.

**Winter Off-Peak:** All other hours including the three holidays of Thanksgiving Day, Christmas Day and New Years Day.