

RATE NO. 2017 – 3

LARGE GENERAL SERVICE RATE – INDUSTRIAL
REVISED JANUARY 1, 2017

AVAILABILITY

Available to any non-residential customer in the City of Delano for commercial, industrial or institutional electric service to single business establishments for all power, lighting and heating requirement, when all service hereunder is provided through one set of meters and at a single point of delivery.

APPLICABLE

To commercial or industrial customers for combined lighting and power purposes. Service will be rendered at the utility system standard secondary voltage, single or three phase, as designated by the utility system as the service voltage available in the area for the size of load to be served. Additional transformers not located at the point of delivery and special voltage transformers for lighting and other purposes shall be owned and maintained by the customer. This rate shall be applied to all loads of 25 kilowatts or greater.

RATE

CUSTOMER CHARGE

\$32.00 per month in corporate limits of City of Delano or the rural area immediately adjacent thereto.

SERVICE AT SECONDARY VOLTAGE

DEMAND CHARGE

All Kilowatts per month \$ 8.90 per KW

ENERGY CHARGE

All Kilowatt Hours per month 6.325¢ per KWH

FUEL AND PURCHASED POWER COST ADJUSTMENT

THE RATE SHOWN ABOVE IS SUBJECT TO A FUEL AND/OR PURCHASED POWER COST ADJUSTMENT AND STATE SALES TAX (SEE EXHIBIT “A” – POWER SUPPLY COST RIDER).

LATE PAYMENT CHARGES WILL BE ADDED IN ACCORDANCE WITH SERVICE REGULATIONS

The demand in kilowatts for billing purposes shall be determined by dividing the maximum demand in kilowatts by the average power factor expressed in percent and rounding to the nearest whole kilowatt.

MINIMUM DEMAND TO BE BILLED

In no month shall the demand to be billed be considered as less than the largest of the following:

- a) 50% of the greatest adjusted demand in kilowatts billed during the preceding 11 months

MAXIMUM DEMAND TO BE BILLED

The maximum demand in kilowatts shall be the greatest 15 minutes demand load during the month for which the bill is rendered subject to a power factor adjustment as indicated in the preceding paragraph. The power factor for the month may be determined by permanently installed metering equipment or by periodic test under normal operating conditions.

AGREEMENTS FOR LARGE GENERAL SERVICE CUSTOMERS

At the option of the Commission, a Service Agreement will be required for new industries which have no history of credit with the Electric Utility Management or for established customers who are experiencing difficulty in making their utility payments on time.

EXAMPLE OF DETERMINATION OF DEMAND

Set forth below is an example of Determination of Demand as set forth in Rate 2017 - 3.

Assume Maximum Demand is 500 kilowatts and

- a) in one month customer has 95% power factor, and
- b) in another month he has an 85% power factor:

$$500 \text{ Kilowatts} \div 95\% = 526.32 \text{ KW Billing Demand}$$

$$500 \text{ Kilowatts} \div 85\% = 588.24 \text{ KW Billing Demand}$$

NOTE: Power factor will be determined by permanently installed metering equipment designed for that purpose or by periodic tests under normal operating conditions.

COMMENT ON DEMAND TYPE RATE

For a demand-type rate to be attractive to the customer, it should not be unreasonably high, and it should give him the opportunity to earn a reduction in cost per KWH with increased load and improved load factor. On the other hand, if that customer has a poor load factor which increases the cost of wholesale power supply, which in turn affects the cost of supply to all customers on the system, he should pay for his inefficiency and also be encouraged to try to improve his utilization of the power supply made available to him.

Any Industrial customer should understand that it is the demand component in the rate which gives him a lower price per KWH than if he had a poorer load factor. The purpose and result of the demand-type rate is to provide a lower price per KWH to customers with good load factors and, in effect, award them for their efficiency.

EXHIBIT "A" – POWER SUPPLY COST RIDER

(APPLICABLE TO ELECTRIC UTILITY RATES 2017 - 1, 2017 - 2, and 2017 - 3)

There shall be added to or deducted from the net monthly bill \$.00001 per kilowatt hour for each \$.00001 increase above or below the estimated monthly average new cost of power supply delivered to the customer, i.e., power supply from Central Minnesota Municipal Power Agency plus local production plant costs of providing for standby and emergency services.

Purchased power bills from Central Minnesota Municipal Power Agency for power, energy, and transmission service and/or any local production plant operating costs or operating costs from any additional suppliers shall be added together to arrive at total cost of power supply and that combined cost shall then be divided by the net kilowatt hours billed to the consumer to arrive at average net cost of power supply.