

Federated Rural Electric Association	Page Number: V-1
77100 U.S. Highway 71	Effective Date: January 2012
Jackson, Minnesota 56143	Section Amended: 5 - 1.1
Telephone: 507-847-3520	Date Amended: October 3, 2011

SECTION V - RATE SCHEDULES

5 - 1.1 RATE CLASS 1 - GENERAL SERVICE

AVAILABILITY

Available to all members for all farm, home, and commercial uses with one dwelling per meter, which require a service transformer capacity not to exceed 50 KVA, subject to the established rules and regulations of the Cooperative. The maximum current during start-up of individual motors served under this schedule shall not exceed 260 amps at 240 volts except as authorized in advance by the Cooperative. This rate will also apply to community ball fields that disconnect and reconnect annually. The disconnect and reconnect fees will apply to these services.

TYPE OF SERVICE

Alternating current, 60 Hertz, single phase at available secondary voltage.

MONTHLY RATE

Service Charge: \$12.00
Energy Charge: First 800 kwh @ 8.63 cents/kwh
Over 800 kwh @ 8.23 cents/kwh

MINIMUM CHARGE

The minimum monthly charge shall be the service charge of \$1.00 per KVA of installed service transformer capacity or the service charge of \$12.00, whichever is larger.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

TAX CHANGES FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the members, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per KWH.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

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5 - 1.3 RATE CLASS 3 - VILLAGE - GENERAL SERVICE

AVAILABILITY

Available to all members of the Villages of Welcome, Fox Lake, Huntington, Petersburg and Wilder, Minnesota, which require a service transformer capacity not to exceed 50 KVA, subject to the established rules and regulations of the Cooperative. The maximum current during start-up of individual motors served under this schedule shall not exceed 260 amps at 240 volts except as authorized in advance by the Cooperative.

TYPE OF SERVICE

Alternating current, 60 Hertz, single phase at available secondary voltage.

MONTHLY RATE

Service Charge: \$6.00

Energy Charge: First 800 kwh @ 8.63 cents/kwh
Over 800 kwh @ 8.23 cents/kwh

MINIMUM CHARGE

The minimum monthly charge shall be the service charge of \$6.00 for the first 10 KVA of installed service transformer capacity and increased by \$1.00 per KVA for each KVA greater than 10 KVA.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

TAX CHANGES FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the member, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per KWH.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

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5 - 1.4 RATE CLASS 5 - GENERAL SERVICE - MULTIPHASE

AVAILABILITY

Available to all members for all farm, home, and commercial uses which require a service transformer capacity not to exceed 50 KVA subject to the established rules and regulations of the Cooperative. The maximum current during start-up shall not exceed 260 amps at 240 volts except as authorized in advance by the Cooperative.

TYPE OF SERVICE

Alternating current, 60 Hertz, multiphase at available secondary voltage.

MONTHLY RATE

Service Charge: \$22.00

Energy Charge: First 800 kwh @ 8.63 cents/kwh
Over 800 kwh @ 8.43 cents/kwh

MINIMUM CHARGE

The minimum monthly charge under the above rate shall be \$1.00 per KVA of installed service transformer capacity or the service charge of \$22.00, whichever is the larger.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

TAX CHANGES FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the member, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per KWH.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

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5 - 1.7 RATE CLASS 8 - SECURITY AND PUBLIC STREET LIGHTING SERVICE

AVAILABILITY

Available to all members of Federated Rural Electric Association for outdoor protective lighting service on premises on which the member is already taking service from the Cooperative under another rate schedule. Also available for Public Street Lighting.

TYPE OF SERVICE - SECURITY LIGHTS

Multiple lighting from secondary or service lines. The Cooperative will own, operate and maintain the lighting fixtures. Burned out lamps must be reported by the member, and the Cooperative will undertake to replace the lamps as soon as possible during regular working hours. This rate is based on the security light being installed on the meter or transformer pole. If the consumer wishes to have it installed at a different location requiring additional facilities, the consumer is required to supply or pay for all wiring beyond the meter pole. If a separate transformer is required for this service an additional Service Charge of \$6.00 per month will be added to the bill.

TYPE OF SERVICE - PUBLIC STREET LIGHTS FOR THE VILLAGES OF WILDER AND WELCOME, MINNESOTA

The Cooperative will own, operate and maintain all light fixtures and pole attachments for the above street lighting. Burned out lamps will be replaced by the Cooperative during normal working hours. Upon request of the public body, the Cooperative will install all necessary fixtures to light any requested area. The Cooperative will own all facilities and will bill under the applicable monthly rate. The below charges are applicable for overhead facilities only.

HOURS OF SERVICE

Dusk to dawn, controlled by photo-sensitive devices, every night and all night for approximately 4,380 hours per year.

INSTALLATION CHARGE

An installation charge of \$35.00 per light will be charged for the initial installation of any security lights and will be payable in advance of said installation. The above rates are net.

MONTHLY RATE (Security and Public Street Lighting) (Unmetered)

<u>Security:</u>	175 watt mercury vapor (M1)	\$ 8.40
	400 watt mercury vapor (M2)	15.30
	100 watt sodium vapor (S1)	6.65
	250 watt sodium vapor (S2)	12.55
	400 watt sodium vapor (S3)	18.30
<u>Public Street Lighting:</u>	100 watt sodium vapor (P1).....	7.15
	175 watt mercury vapor	9.15
	400 watt mercury vapor (P2)	15.80
	400 watt mercury vapor on metal poles (P3)	19.05
	250 watt sodium vapor	13.55
	250 watt sodium vapor on metal poles	16.80

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5 - 1.7 PURCHASED POWER COST ADJUSTMENT FOR UNMETERED LIGHTING

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold. KWH usage shall be based on the following:

Mercury Vapor

175 watt - 75 KWH per month

400 watt - 160 KWH per month

Sodium Vapor

100 watt - 45 KWH per month

250 watt - 110 KWH per month

400 watt - 170 KWH per month

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service where applicable.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

VANDALISM AGREEMENT

Where a security light or lights are requested to be installed in public parks, at highway or intersection lighting, on signs, in camping areas or other locations which in the opinion of the Cooperative are susceptible to vandalism, the Cooperative will require a signed agreement executed by the party requesting said lights or some other responsible person to assume any and all costs that result from vandalism or malicious damages caused by parties known or unknown.

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5 - 1.10 RATE CLASS 9 - SINGLE PHASE - LARGE POWER

AVAILABILITY

Available to consumers requiring greater than 50 KVA and less than 250 KVA of transformer capacity, subject to the established rules and regulations of the Cooperative.

TYPES OF SERVICE

Alternating current, 60 Hertz, single phase at available secondary voltage.

MONTHLY RATE

Service Charge: \$33.00
Demand Charge: \$4.25/kw of billing demand
Energy Charge: First 200 kwh/kw @ 7.38 cents/kwh
Excess @ 6.78 cents/kwh

MINIMUM CHARGE

The minimum monthly charge shall be \$1.00 per KVA.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

BILLING DEMAND

The billing demand for the month shall be the maximum recorded 15 minute integrated demand in kilowatts.

POWER FACTOR ADJUSTMENT

The rate charged under this schedule is based on the consumer maintaining a power factor not less than 95%. The Cooperative reserves the right to measure power factor at any time by means of suitable instruments and if the member's average power factor for the month is found to be less than 95%, the billing demand shall be increased by the ratio of 95% divided by the member's actual monthly power factor.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each bill for electric service where applicable.

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5 - 1.10 TAX CHANGE FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the member, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per KWH.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

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5 - 1.11 RATE CLASS 10 - MULTIPHASE - LARGE POWER

AVAILABILITY

Available to consumers requiring a transformer capacity greater than 50 KVA through 500 KVA, subject to the established rules and regulations of the Cooperative.

TYPES OF SERVICE

Alternating current, 60 Hertz, multi-phase at available secondary voltage.

MONTHLY RATE

Service Charge \$34.00

Demand Charge: \$4.25/kw of billing demand

Energy Charge: First 200 kwh/kw @ 7.38 cents/kwh
Excess @ 6.78 cents/kwh

MINIMUM CHARGE

The minimum monthly charge shall be \$1.00 per KVA of installed service transformer capacity.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost per kilowatt hour sold for the previous month exceed or is less than the base amount of 61.6 mills per kilowatt hour sold.

BILLING DEMAND

The billing demand for the month shall be the maximum recorded 15 minutes integrated demand in kilowatts.

POWER FACTOR ADJUSTMENT

The rate charged under this schedule is based on the consumer maintaining a power factor not less than 95%. The Cooperative reserves the right to measure power factor at any time by means of suitable instruments and if the member's average power factor for the month is found to be less than 95%, the billing demand shall be increased by the ratio of 95% divided by the member's actual monthly power factor.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

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5 - 1.14 TEMPORARY SERVICE

AVAILABILITY

Available to member-consumers of the Cooperative by making request to the offices of the Cooperative, subject to such rules and regulations as adopted by the Cooperative and conforming to the area coverage policy. The Cooperative will supply single phase or three phase - 60 Hertz - at available secondary voltage.

Any member-consumer requesting service on a temporary basis shall pay estimated labor and overhead costs involved in the erecting of facilities plus loss of material anticipated in removal plus estimated labor and overhead for removal, prior to the time service is constructed. In general, any construction to supply service for a period of less than five (5) years will be considered temporary. All temporary service must receive specific management approval.

This service will be supplied at the applicable rate class and by policies as adopted by the Cooperative.

RATE

As applicable to type of service classification.

MINIMUM CHARGE

The minimum monthly charge shall be the service charge of \$1.00 per KVA of installed service transformer capacity.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

TAX CHANGES FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the members, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per KWH.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges excluding sales tax, and meter reading charges will be added to the bill if such bill is not paid by the due date of the month.

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5 - 1.16 RATE CLASS 13 - INDUSTRIAL SERVICE OVER 500 KVA

AVAILABILITY

The Cooperative will supply service to a large industrial consumer under the terms, rates, and conditions to be negotiated and formulated into a power contract with the member prior to the installation of service.

5 - 1.17 PURCHASED POWER COST ADJUSTMENT

The rate schedule of Federated Rural Electric Association for the sale of electric energy shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost of purchased power per kilowatt hour sold for the previous month exceeds or is less than the base amount of 63.1 mills per kilowatt hour sold.

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Jackson, Minnesota 56143	Section Amended:	5 - 1.19 (Coincident Billing)
Richard G. Burud, Manager	Date Amended:	October 3, 2011

5 - 1.19 RATE CLASS 15 - INTERRUPTIBLE ELECTRIC SERVICE

AVAILABILITY

Available to consumers requiring a transformer capacity greater than 15 KVA through 500 KVA, subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE

Interruptible alternating current, 60 Hertz, single phase or multi-phase at available secondary voltage.

MONTHLY RATE

Service Charge: \$40.00

Energy Charge: All energy @ 6.93 cents/kWh

MINIMUM CHARGE

The minimum monthly charge shall be \$1.00 per KVA of installed service transformer capacity.

PURCHASED POWER COST ADJUSTMENT

The above rate shall be increased or decreased by 0.1 mill per kilowatt hour for each 0.1 mill per kilowatt hour or major fraction thereof by which Seller's total average cost per kilowatt hour sold for the previous month exceeds or is less than the base amount of 61.6 mills per kilowatt hour sold.

POWER FACTOR ADJUSTMENT

The rate charged under this schedule is based on the consumer maintaining a power factor not less than 95%. The Cooperative reserves the right to measure power factor at any time by means of suitable instruments and if the member's average power factor for the month is found to be less than 95%, the billing demand shall be increased by the ratio of 95% divided by the member's actual monthly power factor.

MINNESOTA SALES TAX

The currently effective Minnesota general sales tax will be added to each monthly bill for electric service, where applicable.

TAX CHANGE FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the member, if applicable, as an adder to the cost per kWh used by the member to the nearest .1 mill per kWh.

TERMS OF PAYMENT

The above rates are net. A penalty of 3% of all current monthly charges, excluding sales tax and meter reading charges, will be added to the bill if such bill is not paid by the due date of the month.

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Richard G. Burud, Manager	Date Amended:	October 3, 2011

5 - 1.20 RATE CLASS 16 - WIND ENERGY ELECTRIC SERVICE

AVAILABILITY

Available to consumers requiring a transformer capacity less than 50 KVA for small wind generation customers (less than 40 KW) as defined by the State of Minnesota, and subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE

Alternating current, 60 Hertz, single phase or multi-phase at available secondary voltage.

CONTRACT

The member shall apply for this rate and adhere to any contractual terms as required by the State of Minnesota. Any violation or non-compliance will require the Cooperative to disconnect the wind turbine or not allowing connection of the wind turbine.

MONTHLY RATE

The rate charged shall be the normal rate class for the service for size of service requested with its applicable rules and regulations.

WIND ENERGY CREDITS

The Cooperative shall give the member an energy credit monthly as per State of Minnesota rules and regulations in the amount as filed with the Minnesota Department of Commerce annually.

LOAD MANAGEMENT DISCOUNTS

Since this rate exchanges energy between the customer and the Cooperative, no other load management credits or discounts are available to members using this rate class.

TAX CHANGE FACTOR

Any gross revenue tax or any other new tax imposed on the Cooperative by any proper authority after January 1, 2012, shall be passed on to the member, if applicable, as an adder to the cost per KWH used by the member to the nearest .1 mill per kWh.