

Incremental Pricing Plan

June 21, 2010

<i>Rates</i>	<i>Irrigation</i>	<i>Commercial & Grain Site</i>
Yellow Zone (SEIPP)	variable up to \$0.12/kWh	variable up to \$0.095/kWh
Red Zone (BDIPP)*	\$58.32/kW Summer	\$58.32/kW Summer \$90.84/kW Winter
Billing Demand (BDM)	\$58.32/kW Summer	\$58.32/kW Summer \$90.84/kW Winter

*BDIPP billed direct to irrigation & grain site. BDIPP becomes control demand for commercial (rate 310).

Terminology

Supplemental Energy, Incremental Pricing Plan (SEIPP)

The SEIPP or yellow zone charges are assessed when Minnkota is in peak conditions and the wholesale price of power exceeds 4 cents/kWh, but the average purchase price is at or below 9.5 cents/kWh. For irrigation, the SEIPP or yellow zone charges are assessed when Minnkota is in peak conditions and the wholesale price of power exceeds 4 cents/kWh, but the average purchase price is at or below 12 cents/kWh.

The yellow zone charges are assessed only to the energy used **above** the billing demand, incremental pricing plan (BDIPP) level.

Billing Demand, Incremental Pricing Plan (BDIPP)

The BDIPP or red zone charges are assessed when Minnkota is in an emergency condition or if prices become very expensive. Red zone will occur if Minnkota is in peak conditions and the wholes price of power averages more than 9.5 cents/kWh. For irrigation, red zone will occur if Minnkota is in peak conditions and the wholes price of power averages more than 9.5 cents/kWh.

The red zone charges are assessed only during times when Minnkota is also in a billing demand measurement (BDM).

Billing Demand Measurement (BDM)

The billing demand measurement is the billing of all of the electric demand to the cooperatives. This can occur in a full yellow zone control or in a full red zone control.