

1. ELECTRIC

Charges for electrical service shall be based upon the type of service, classification, and usage as indicated in the following sections. These rates may be adjusted by a power cost adjustment (PCA) when the utility experiences higher than anticipated power costs between formal wholesale power and transmission costs over the estimated costs used in the formal rate study. The base cost used to determine the PCA is \$0.0370 per kWh from June through September and \$0.0337 per kWh from September through May.

a. RESIDENTIAL

The following rates shall be charged for private dwelling areas where the property being serviced does not have non-residential accessory outbuildings with non-residential uses.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$25.00

USAGE CHARGE

Months	Charge per kWh
January – May	\$0.1270
June – August	\$0.1400
September - December	\$0.1270

ALL ELECTRIC RESIDENTIAL (HEATING, WATER HEATING, ETC...) *CLOSED TO NEW CUSTOMERS

Monthly Base Charge \$25.00

January – May	Charge per kWh
0 – 1,100 kWh	\$0.1270
Over 1,100 kWh	\$0.0775

June – August	Charge per kWh
All kWh usage	\$0.1400

September - December	Charge per kWh
0 – 1,100 kWh	\$0.1270
Over 1,100 kWh	\$0.0775

DUAL FUEL *CLOSED TO NEW CUSTOMERS

This rate is for residential dwellings that have heating systems with a combination of a primary electric and a secondary propane or natural gas source. Customers on this dual fuel rate will have their entire heating load on load management. A credit will be received for all heating kWh. See controlled electric rates in section b.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$25.00

USAGE CHARGE

Months	Charge per kWh
January – May	\$0.1220
June – August	\$0.1360
September - December	\$0.1220

b. CONTROLLED ELECTRIC

The City of Luverne administers an electric Load Management Program for residential electric customers, in which electricity is controlled on devices such as electric heating units, air conditioners, and electric water heaters during peak usage periods. Managing load benefits the electric utility and its customers in many ways, including enhancing grid reliability, lowering operational costs, and providing consumers with opportunities to save on electricity bills.

Participation in the City's load management program is voluntary, unless the customer has purchased a Marathon water heater from the City's Marathon Water Program. Upon purchase, customers agree to be placed in the Load Management Program.

Residential and non-commercial storage buildings that participate in the City's load management program shall have a load control box and a second electric meter installed at no cost to the customer. The load control box allows the City to control enrolled devices during peak usage periods, and the second electric meter will meter the usage for those enrolled devices. Customers will receive credit for kWh used on enrolled devices at the following rates:

RESIDENTIAL & NON-COMMERCIAL STORAGE BUILDINGS

Months	Credit per kWh
January – May	\$0.0605
June – August	\$0.0735
September - December	\$0.0605

RESIDENTIAL DUAL FUEL *CLOSED TO NEW CUSTOMERS

Customers on the dual fuel rate will receive credit for kWh used for the electric heating.

Months	Credit per kWh
January – May	\$0.0665
June – August	\$0.0695
September - December	\$0.0665

RESIDENTIAL ELECTRIC HEAT *CLOSED TO NEW CUSTOMERS

January – May	Credit per kWh
0 – 1,100 kWh	\$0.0605
Over 1,100 kWh	\$0.0170

June – August	Credit per kWh
All kWh usage	\$0.0735

September - December	Credit per kWh
0 – 1,100 kWh	\$0.0605
Over 1,100 kWh	\$0.0170

RESIDENTIAL NON-SUBTRACTIVE *CLOSED TO NEW CUSTOMERS

CE3 is a calculated rate, not a credit. The meter is non-subtractive.

kWh usage charge	-	regular CE credit	=	CE3 rate
ex. 0.12	-	0.0565	=	0.0635

COMMERCIAL BUILDINGS *CLOSED TO NEW CUSTOMERS

Months	Credit per kWh
January – May	\$0.0495
June – August	\$0.0625
September - December	\$0.0495

c. **RURAL/MIXED**

Rural properties and other services with both residential and non-residential uses and not classified with any other rate classification.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$30.75

USAGE CHARGE

Months	Charge per kWh
January – May	\$0.1270
June – August	\$0.1400
September - December	\$0.1270

- * Any customer desiring to split a service with two or more separate meters as to isolate the entirely residential and/or all electric portion(s) from the non-residential portion may do so by installing a separately metered service. The City will provide the meter and meter base and only one base charge per bill will be assessed at the rate of \$29.00. The residential usage rate will be billed at the appropriate residential class rates and the non-residential usage will be billed at the commercial class rates.

d. **SMALL COMMERCIAL**

The Small Commercial rate shall be charged for:

1. All non-residential single-phase services.
2. All non-residential single-phase services that maintain a peak demand of less than 20kW. *Setting a peak demand of 20kW or higher for three consecutive months will result in a rate change to Large Commercial.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$38.00

USAGE CHARGE

Months	Charge per kWh
January – May	\$0.1160
June – August	\$0.1290
September - December	\$0.1160

e. **LARGE COMMERCIAL**

The large commercial rate shall be charged for:

1. All non-residential three-phase services.
2. All non-residential single-phase services that had a peak demand of 20 kW or greater in three or more consecutive months.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$77.00

USAGE CHARGE

Charge per kWh \$0.0485

DEMAND CHARGE

A charge for demand (kW) shall be assessed based on the peak set during the monthly billing cycle, measured at 15 minutes intervals.

Months	Peak Demand Charge per kW
January – February	\$23.10
March – May	\$20.40
June – August	\$24.80
September – November	\$20.40
December	\$23.10

f. **COMMERCIAL – ECONOMIC DEVELOPMENT RATE**

When authorized by the City Administrator, the following rate may be offered under such terms and conditions as deemed appropriate on an annual basis.

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$38.00

USAGE CHARGE

Charge per kWh \$0.01 over cost

g. HISTORICAL/CULTURAL/CITY-OWNED RECREATIONAL

MONTHLY BASE CHARGE

A monthly base charge shall be assessed per meter.

Monthly Base Charge \$77.00

USAGE CHARGE

Charge per kWh \$0.0485

In order to improve the efficiency of the Luverne Municipal Utilities' electric distribution system, the customer's utilization of equipment shall maintain an average power factor (PF) as close to unity, or 100 percent, and to prevent a leading power factor, or greater than 100 percent, when possible. Luverne may, at its discretion, perform tests and/or install metering to determine the average power factor on any of its Large Commercial electric customers.

The kilowatt (kW) demand during the fifteen-minute interval of the greatest use during the current billing period is indicated or recorded by metering equipment installed by the Luverne Municipal Utilities. Large Commercial Service customers who have a monthly peak demand of 1,200 kW or more shall maintain an average monthly power factor of 95 percent or greater. When the average power factor during the billing period is less than 95 percent, the billing demand shall be determined by the following calculation and example:

Required Data:

- Minimum Power Factor per the Policy = 95%
- Customer's average power factor during the billing period = 85%
- Customer's metered peak demand during the billing period = 500 kW

Calculation:

1. (Required PF 95% / Customer's PF 85%) = PF Ratio 1.1176
2. (PF Ratio 1.1176 * Customer's Peak Demand 500 kW) = 558.8 kW
3. Customer is billed 558.8 kW times the current demand rate for the billing

period.

2. DISTRIBUTED GENERATION/INTERCONNECTION POLICY

a. DISTRIBUTED GENERATION

The Public Utilities Regulatory Policy Act of 1978 (PURPA), as amended, requires a utility to buy power and sell power to Qualifying Facilities (QF). The City of Luverne and MRES filed a Petition of Waiver, which specifies the obligation of the City of Luverne and MRES to a QF with the Federal Energy Regulatory Commission (FERC) on Section 2010 of PURPA, and have been granted such waiver by the FERC. The City of Luverne and MRES agreed to comply with the “Rules of Compliance” as part of the Waiver. The City of Luverne has adopted the “Distributed Generation Workbook,” as prepared, amended and periodically updated by MRES, as the “Small Power Production and Co-Generation Policy” to accommodate QF’s in interconnection and power purchase arrangements.

b. INTERCONNECTION APPLICATION PROCESS

Each Interconnection Application submitted to the City of Luverne Electric Utility must include the appropriate interconnection application process fee prior to the review of the Interconnection Application. The required process fee for each process track is listed below.

Process Track	Process Fee
Simplified	\$100
Fast Track Certified System	\$100 + \$/kW
Fast Track Non-Certified System	\$100 + \$2/kW
Study	\$1,000 + \$2kW down payment Additional Study fees may apply

Insurance Requirements

At minimum, the Interconnection Customer shall maintain, for the duration the Distributed Energy Resource (DER) System is interconnected to the Luverne Electric Utility, General Liability insurance from a qualified insurance agency with a B+ or better rating by “Best”. Specific limits and proof of Insurance requirements for insurance coverage are contained in the most recent version of the “Distributed Generation Workbook” as prepared by MRES.