



HPUC ECONOMIC DEVELOPMENT INCENTIVE (EDI) RATE SUMMARY

Effective January 1, 2009

AVAILABILITY

1. For existing HPUC commercial electric customers presently under the Power Service Rate or the Large Power Service Rate (present peak demand 50 kW or larger) by separate written agreement for new additions of 25 kW and above.
2. For new commercial electric customers under separate written agreement whose peak demand is 75kW and above.

RATES

1. Electric On Peak Service
\$6.32 per kW of billing demand, plus
\$0.0465 per kWh
2. Electric Off Peak Service
\$4.37 per kW billing demand, plus
\$0.0331 per kWh

TERM

5 years from date of eligibility

RESTRICTIONS

EDI available on a one time only basis per site per customer. Only EDI will be available per site per customer. No concurrent EDI's will be permitted at any one site.

Sincerely,

HIBBING PUBLIC UTILITIES COMMISSION

Kevin M Gargano
Director of Finance

*Note: A complete copy of the EDI Rate can
be obtained upon request at the
Hibbing Public Utilities Commission*

**ECONOMIC DEVELOPMENT INCENTIVE
(EDI)**

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**HIBBING PUBLIC UTILITIES COMMISSION
(HPUC)**

2009 RATE SCHEDULE EDI

SECTION ONE

ECONOMIC DEVELOPMENT INCENTIVE – Electric Utility

(EDI)

ELECTRIC EDI ELIGIBILITY

1. For existing HPUC customers presently under the Power Service rate or the Large Power Service rate, by separate written agreement for new capacity additions of 25 kW and above.

2. For new customers under separate written agreement whose peak demand is 75 kW and above.

3. The EDI is available on a one time only basis per site per customer. Only one EDI will be available per site per customer at any given time. No concurrent EDI's will be permitted at any one site.

NEW CAPACITY DEFINITION

New capacity is defined as capacity that previously was not on the HPUC System. This may result from a business start up or expansion of business. A business that changes ownership will not qualify.

EFFECTIVE DATE

Eligibility

This rate will apply to all qualifying customers with service installations on or after January 1, 2009.

To secure the EDI a prospective Economic Development Incentive rate customer shall complete a form to be provided by the HPUC for each of its utility requirements based on reasonable engineering estimates of such consumption acceptable to the HPUC. Eligible customers of the Economic Development Incentive rate shall receive the rate from the time they reach the requisite utility demand assuming they have complied with all other criteria.

To remain eligible for the EDI rate, the eligibility criteria must be maintained for 7 of the preceding 12 months, computed quarterly.

OTHER TERMS AND CONDITIONS:

1. HPUC will determine if a customer qualifies for the Economic Development Incentive rate.

2. Metering facilities including their placement are subject to review and inspection by HPUC. EDI loads must be capable of being metered at a single point.

3. HPUC shall not be liable for any damage or loss sustained by a customer resulting from interruptions, deficiencies, or imperfections of service provided under this EDI rate.

4. The rates charged for the individual utilities are to be based on the incremental costs incurred by the HPUC in providing these services with the express condition that supplying service under the respective rates will not increase the HPUC's costs of serving its then current customers. Therefore, any revisions in the rates necessary to achieve this goal will be made unilaterally by the HPUC.

When additional capital improvements must be acquired by the HPUC to supply the combined existing and Economic Development Incentive loads reliably and economically, the total cost of acquiring these additional capital improvements shall be shared proportionally by the existing and the Economic Development Incentive customers based on the respective contribution by each to the need for such additional capital improvements.

SECTION TWO

TYPE OF SERVICE

A) Electric

All electric power to be delivered and received pursuant to the provisions of this agreement shall be what is commonly designated as three phase, 60 cycle alternating current and shall be delivered and metered at a voltage of approximately 13,800, 4160, or 2400 volts, slight variations in frequency and voltage be allowed.

SECTION THREE
POINT OF DELIVERY

The point of delivery of the respective utilities hereunder shall be as follows:

A) Electric

Fuse cut outs at the pole line at 13,800, 4160, or 2400 volts.

SECTION FOUR
RATES

A) Billing For Services

Monthly billings are to be computed pursuant to paragraphs B),and C).

B) Electric

Monthly Rate Schedule

On-Peak Service

\$6.32 per kW of billing demand, plus
\$0.0465 per kWh

Off-Peak Service

\$4.37per kW billing demand, plus
\$0.0331 per kWh.

On-peak shall be all hours from 0600 to 2200 Sunday through Saturday. All off-peak periods are all other hours.

Billing Demand shall be the 15 minute integrated demand measured during the on-peak or off-peak hours.

SECTION FIVE
TERM

Service under this rate will commence on the first day of the billing cycle following the date the eligibility criteria are met. The term of the EDI rate is 5 years from that date.

SECTION SIX
CAPITAL EXPENDITURES

The HPUC will not provide any contribution to the customer's capital improvements or costs beyond the points of delivery as stated in Section Three unless agreed to in a separate writing, but will provide technical and grant writing assistance at the customer's request.

SECTION SEVEN
MAINTENANCE COSTS

The EDI customers shall be responsible for maintenance costs for the respective utilities as follows:

A) Electric

From the fuse cut outs at the pole line.

SECTION EIGHT
BILLING AND PAYMENT

Rates

The HPUC will compute the rates due for each utility service provided under this agreement monthly. Adjustments for the factors provided for in the agreement will be made on a monthly basis. The rates for all utility services will be billed monthly and will be due and payable in full 18 days after the date of mailing the billing statement. Failure to pay the billing statement in full with 18 days after the date of mailing is a default in this agreement and may result in termination of services pursuant to Article Ten herein.

Maintenance Costs

The HPUC will compute the maintenance costs to the Economic Development Incentive customer's building as provided in this agreement monthly. The maintenance costs will be billed monthly and will be due and payable in full 18 days after the date of mailing the billing statement. Failure to pay the billing statement in full within 18 days after the date of mailing is a default in this agreement and may result in termination of services pursuant to Article Ten herein.

Late Payment Charge

If either the rates or the maintenance costs are not paid in full within 18 days after the date of mailing the billings for the same there will be assessed and added to the billing a charge of five percent (5%) of the unpaid amount of said billings.

SECTION NINE

LIMITATION OF THE HPUC's LIABILITY

No liability shall attach to the HPUC for any failure to deliver electric utilities under this agreement due to acts of God, strikes, lockouts, or other industrial disturbances, wars, whether declared or undeclared, blockades, insurrections, riots, governmental action, explosions, fire, floods, or any other cause not within the reasonable control of either party or due to any other cause whatsoever except HPUC's own intentional or negligent failure to exercise reasonable care and diligence in the performance of this agreement. Notwithstanding anything else in this agreement to the contrary, the HPUC shall have the right to suspend temporarily the delivery of electric utilities under and pursuant to this agreement for the purpose of making repairs or improvements to its system.

SECTION TEN

TERMINATION

Termination of the services provided under this agreement can be made unilaterally by the HPUC for the following cause: Delinquency in full payment of monthly bills rendered to an Economic Development Incentive customer for services and maintenance costs. Delinquency being defined as non-payment within 18 days after the monthly bill is mailed. Failure of the HPUC to strictly enforce this provision at any particular time shall not affect the right of the HPUC to terminate services pursuant to this provision at any later date.



ECONOMIC DEVELOPMENT INCENTIVE

1A

PROJECTED UTILITY USAGE

Company _____

Company Official _____ Title _____

Application Date _____

The following utilities are required by the above firm. These listed quantities are derived from "reasonable engineering estimates." The Hibbing Public Utilities will review this data and verify the availability of services requested.

Electric (13,800 volts primary)

- A. Outside date of required service _____
- B. Peak kW demand (monthly) _____
- C. kWh expected to be used per month _____
- D. Daily load profile (kW per hour) _____



Billing Schedule for EDI Rate
(Existing Customer Move from Old to New Facility)

Customer Name: _____

Date: _____

Old Facility

Average kW Demand = _____ kW

Average kWh Demand = _____ kWh

If existing customer's average peak demand increases by 25 kW or more, all kW and kWh over the above average kW and kWh will be billed at the EDI Rate for five years. All kW and kWh at and below the above existing averages will be billed at present power rate based on the old facility demand average.

General Manager,
Hibbing Public Utilities Commission