

**D2. Parallel Generation - Purchase by UPPCO**

**PG-4**

EFFECTIVE IN  
All territory served.

AVAILABILITY

To customers contracting for electric service who satisfy the requirements of "qualifying facility" status under Part 292 of the Federal Energy Regulatory Commission's regulations under the Public Utility Regulatory Policies Act of 1978, generating electrical energy with total customer owned generating capacity of 550 kW AC or less, and desiring to sell electrical energy to the Company. To qualify for this service, a seller shall execute a standard Power Purchase Agreement with the Company. Customers with generation capacity greater than 550 kW may negotiate with the Company for rates other than specified in this rate schedule. Customers with generation capacity of 150 KW or less have the option of selling energy to the Company under the Pg-2 tariff or the Pg-1M tariff for customers with generator ratings that do not exceed 20 KW. Customers may take service under PG-3 if the requirements are met for methane digesters.

Service hereunder shall be restricted to the Company's purchase of energy or energy and capacity from the seller's generating facilities up to the Contract Capacity specified in the Power Purchase Agreement which may be operated in parallel with the Company's system. Power delivered to the Company shall not offset or be substituted for power contracted for, or which may be contracted for, under any other schedule of the Company. If a seller requires supplemental, back-up, or standby services, the seller shall enter into a separate service agreement with the Company in accordance with the Company's applicable electric rates and Service Regulations approved by the Michigan Public Service Commission.

MONTHLY RATES

Customer Charge:

For total customer owned generating capacity of under 200 KW: Standard applicable rate schedule Customer Charge.

For total customer owned generating capacity of 200 KW and greater:

|          | Secondary | Primary   | Transmission |
|----------|-----------|-----------|--------------|
| Monthly: | \$250.00  | \$325.00  | \$750.00     |
| Daily:   | \$8.2192  | \$10.6849 | \$24.6575    |

Charges for Deliveries from Company

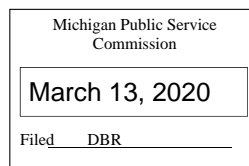
Deliveries from the Company to the customer shall be billed in accordance with the standard applicable rate schedules of the Company.

Energy and Capacity Rate

Energy - For all energy supplied by the customer, the customer shall receive an energy payment equal to one of the rate options below, as selected by the customer and applicable for the term of the special offer contract:

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By G R Haehnel  
Chief Financial Officer  
Marquette, Michigan



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Dated: 02-06-20  
In Case No: U-20350

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Continued from Sheet No. D-72.70

| <u>Rate Option</u>   | <u>Energy Rate \$/kWh</u>  |
|----------------------|--|
| 1. As Available Rate | Actual MISO Day Ahead Locational Marginal Price (LMP) at the Company's UPPC.INTEGRATED load node, adjusted to reflect reduced line losses according to the distribution line voltage level at the project interconnection point, less the Administrative Fee of \$0.001/kWh. |

|                              |  |
|------------------------------|--|
| 2. LMP Energy Rate Forecast* | MISO Real Time Locational Marginal Price (LMP) at the Company's UPPCO.INTEGRATED load node, adjusted to reflect reduced line losses according to the distribution line voltage level at the project interconnection point, less the Administrative Fee of \$0.001/kWh. |
|------------------------------|--|

A. For the first 5 years of the Contract term, all energy delivered or produced during the billing period shall be credited at a fixed price in accordance with the following table:

|                   | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    | 2026    |
|-------------------|---------|---------|---------|---------|---------|---------|---------|
| <b>On - Peak</b>  | \$36.49 | \$36.84 | \$37.54 | \$38.53 | \$40.01 | \$41.70 | \$43.24 |
| <b>Off - Peak</b> | \$27.79 | \$28.32 | \$29.62 | \$31.50 | \$33.02 | \$34.77 | \$36.45 |

B. After the first 5 years of the Contract term, all energy delivered or produced during the billing period shall be credited at the real-time MISO LMP price at the UPPC.Integrated node, averaged over the month.

Capacity Payment

The Company will contract to purchase capacity from with annual capacity rates based upon MISO's annual one-year Planning Resource Auction ("PRA").

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Chief Financial Officer  
Marquette, Michigan

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