

Municipal Electric Utility of the City of Cedar Falls, Iowa

Energy Cost Adjustment (ECA)

For each billing month, a calculation will be made to determine the ECA amount to be charged for each energy unit consumed during that billing period. If there is a fuel and purchased power component included in the base rate structure then the ECA will be adjusted to recover only the difference in the base rate fuel component costs through the application of the ECA.

For purposes of calculating the ECA, estimated and actual energy costs shall include the following:

- 1) Cost of fuel delivered to the generation facilities.
- 2) Cost of SO₂ and NOX allowances required for generation of energy.
- 3) Cost of purchased power including all MISO related charges for purchases, including any prior period adjustments from MISO, excluding any demand charges.
- 4) A deduction for the energy cost of producing KWH volumes sold to wholesale customers.
- 5) A deduction for Financial Transmission Rights including any prior period adjustments

The ECA for a billing month shall be based upon the formula provided below:

$$EAC = \frac{EC_0}{EQ_0} + \frac{A}{EQ_0} = \text{EAC rate for the month}$$

EAC = energy adjustment charge to be used in the billing month

EC₀ = estimated costs for energy in the month during which the EAC will be used

EQ₀ = estimated electric energy to be sold, including interdepartmental service, during the month which the EAC will be used

A = The cumulative balance of any over or under collection due to adjustments to reflect the true up of actual costs of energy and actual energy sold compared to the estimates used in the energy cost adjustment account. (Prior Period Adjustments (PPA) may be amortized over longer periods if the effect of the PPA would be of significant impact in any one month)

Revised October 1, 2009

Municipal Electric Utility of the City of Cedar Falls, Iowa

Western Units Revenue Sharing Adjustment (WURSA)

As a result of the Municipal Electric Utility joining the Midwest System Operator (MISO) in September 2009 there are revenues that will be received from the MISO (Thru MidAmerican Energy) that reflect the revenues for all sales from the Western Units (Walter Scott 3 and 4 and Neal 4). Since all cost of fuel and purchased power are flowing thru the ECA it is reasonable to pass back to customers a share of these revenues to offset the higher costs of fuel and purchased power that are recovered in the ECA.

For each billing month beginning January 1, 2012 a calculation will be made to determine the amount per unit amount to be credited for each energy unit estimated to be consumed during that billing period to reflect a sharing of the revenue received from MISO for the Western Units sales.

For purposes of calculating the WURSA, the rate per unit to be credited to customers for each billing period for 2012, based on the 2012 budget, the rate will be established at:

MONTH	RATE
January 1, 2012	0.021
February 1, 2012	0.019
March 1, 2012	0.020
April 1, 2012	0.021
May 1, 2012	0.019
June 1, 2012	0.024
July 1, 2012	0.029
August 1, 2012	0.026
September 1, 2012	0.024
October 1, 2012	0.022
November 1, 2012	0.034
December 1, 2012	0.022

This reflects passing approximately 78% of the estimated Western Units Revenue for this year through to customers.

Revised: January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Residential Service

Rate Designations: EL-100, EL-110

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	Summer (June-Sept)	Winter (Oct-May)
Basic Service Charge	\$8.20/Mo.	\$8.20/Mo.
First 800 kWh @	\$0.0810/kWh	\$0.0810/kWh
All Over 800 kWh @	\$0.0810/kWh	\$0.0630/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To single phase electric service of 60 Hz, at a nominal voltage of 120/240 volts furnished through one meter for domestic purposes only including lighting, small domestic appliances, water heating, supplemental space heating, refrigeration, cooking and domestic single phase motors rated 5 HP or less. Service to multiple dwelling units or an apartment house through a single meter is not permitted, except where allowed by Iowa Utilities Board rules.

A residential dwelling is a structure used or intended to be used for private living with facilities to be used for living, sleeping, and cooking. This also includes separately metered residential dwellings with incidental farm usage supplied through the same meter, condominiums/ townhouses, two-family dwellings (duplexes), and multiple-family dwellings (containing three or more residential dwelling units), and efficiency apartment units. Any dwelling with separate, permanent kitchen facilities shall be considered one single-family residence for application of this rate. This classification also includes service to separately metered loads associated with a single residential dwelling such as garages, barns and pumps.

This rate classification does not include: rooming houses, fraternity/sorority houses, multiple-family dwellings (two or more units) served through one common meter, service to a multiple dwelling or apartment house common use areas such as laundry rooms, garages, heating plants, lighting, central air conditioning, etc., farm/agricultural operations, and service to separately metered structures associated with a development, multiple homes, or a homeowners' association (i.e. fountain pumps, signs, swimming pools, garages, and clubhouses). These services shall be billed under the General Service rate schedule. Service for residential and commercial purposes may be combined through a single meter, but the service shall be billed under the General Service rate schedule.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls

Class of Service: Residential Power Exchange

Rate Designations: EL-100NM, EL-110NM

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	Summer (June-Sept)	Winter (Oct-May)
Basic Service Charge	\$8.20/Mo.	\$8.20/Mo.
Net Use By Customer		
First 800 kWh	\$0.0810/kWh	\$0.0810/kWh
All over 800 kWh	\$0.0810/kWh	\$0.0630/kWh
Net Provided to CFU		
All kWh provided to CFU	\$0.0750/kWh credit to customer	\$0.0650/kWh credit to customer

Minimum Bill: Basic Service Charge (applies to net energy as well)

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: State and local taxes applicable to net use by customer

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable to NET use by customer

Available:

To any residential customer who has onsite renewable generation on the customer side of the meter and single-phase or three-phase service at 60 Hz at a nominal voltage of 120/240 volts or 480 volts furnished through one meter for domestic purposes only including lighting, small domestic appliances, water heating, supplemental space heating, refrigeration, cooking and domestic single phase motors rated 5 HP or less. Service to multiple dwelling units or an apartment house through a single meter is not permitted, except where allowed by Iowa Utilities Board rules.

A residential dwelling is a structure used or intended to be used for private living with facilities to be used for living, sleeping, and cooking. This also includes separately metered residential dwellings with incidental farm usage supplied through the same meter, condominiums/ townhouses, two-family dwellings (duplexes), and multiple-family dwellings (containing three or more residential dwelling units), and efficiency apartment units. Any dwelling with separate, permanent kitchen facilities shall be considered one single-family residence for application of this rate. This classification also includes service to separately metered loads associated with a single residential dwelling such as garages, barns and pumps.

This rate classification does not include: rooming houses, fraternity/sorority houses, multiple-family dwellings (two or more units) served through one common meter, service to a multiple dwelling or apartment house common use areas such as laundry rooms, garages, heating plants, lighting, central air conditioning, etc., farm/agricultural operations, and service to separately metered structures associated with a development, multiple homes, or a homeowners' association (i.e. fountain pumps, signs, swimming pools, garages, and clubhouses). These services shall be billed under the General Service rate schedule. Service for residential and commercial purposes may be combined through a single meter, but the service shall be billed under the General Service rate schedule.

Class of Service: Residential Power Exchange, cont.

1. OBLIGATIONS OF CFU

CFU Agrees to:

- a) Purchase excess electricity generated at the Customer's property.
- b) Install appropriate electrical metering that provides for flow of energy both into (from CFU) and out of (to CFU) the property, such metering to provide a net reading of the energy used or supplied during any billing period.
- c) Bill or make payment to the customer for the net electrical energy exchanged, per this billing schedule.

2. OBLIGATIONS OF CUSTOMER

CUSTOMER agrees and warrants:

- a) That the Customer will pay for the electrical power exchanged as provided by CFU per this billing schedule.
- b) That the Customer shall supply CFU with appropriate electrical interconnection plans, which must be designed to protect the safety of CFU and the general public, and which must be pre-approved by CFU. Included in these plans must be the requirement that the customer-owned interconnection equipment must disconnect from CFU's electrical system upon the absence of CFU utility power. Customer must complete a CFU Application for Parallel Operation with Utility Services.
- c) That the Customer agrees to provide CFU access to the metering equipment, and agrees to cooperate with CFU for any special, temporary metering intended to monitor energy flows.
- d) That the Customer agrees to pay for any incremental CFU metering or electrical distribution system costs necessitated to participate in this rate.
- e) That the Customer will provide, install, own and maintain such power exchange and interconnection equipment that provides for the safe interconnection to CFU's system.
- f) That the Customer's installed generation and interconnection equipment will operate safely at the time of installation and throughout the term of the Agreement.
- g) That the Customer will notify CFU of any changes to the Customer's system (size change, generation change, or change in interconnection equipment). Technical information on any changes in Customer's equipment must be provided to CFU and pre-approval received from CFU prior to Customer connection and operation of such equipment.

CFU reserves the right to inspect and test the Customer's equipment and system operation at any time before activation or during the term of this Agreement to ensure proper operation and compliance with safety requirements. The Customer's eligibility for this rate may be terminated by CFU if in the exclusive opinion of CFU engineering staff the system is unsafe or otherwise not operating in compliance with the required terms or any technical requirements. The maximum connected generating capacity allowed under this rate is 25 kW, unless expressly waived by CFU engineering staff.

CFU reserves the right to claim for the purposes of satisfying regulatory or legal requirements or for any transact able value, any renewable energy "green tags" or similar renewable energy credit equivalent to the amount of renewable energy produced by the Customer and served under this rate.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Farm/Agricultural Service

Rate Designations: EL-130, EL-131

Available: In the CFU electric service area

Monthly Rate:

Price Schedule		
Basic Service Charge		\$11.60/Mo.
First	50 kWh @	\$0.1730/kWh
Next	150 kWh @	\$0.1160/kWh
Next	500 kWh @	\$0.0890/kWh
All over	700 kWh @	\$0.0700/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To single-phase or three-phase service at 60 Hz at a nominal voltage of 120/240 volts or 480 volts furnished through one meter. For the purposes of this rate classification, a farm/agricultural operation is defined as a tract of land at least 20 acres in size on which agricultural operations are actively performed by the property owner or renter, or farm-associated buildings are part of the connected load. Typical farm/agricultural uses included, but aren't limited to, land-based production (growing crops) and animal production for commercial purposes.

The farm customer may, at his/her option, install a second service at his/her expense for domestic usage. The applicable Residential Service rate will apply to usage through the meter serving the residence. Service under this schedule is provided at the option of CFU and unusual costs of service due to the character and/or locations of the customer load are subject to negotiation.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: All-Electric Residential Service

Rate Designations: EL-150, EL-160

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	Summer (June-Sept)	Winter (Oct-May)
Basic Service Charge	\$8.20/Mo.	\$8.20/Mo.
First 800 kWh @	\$0.0810/kWh	\$0.0810/kWh
All Over 800 kWh @	\$0.0810/kWh	\$0.0445/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To single-phase electric service of 60 Hz, at a nominal voltage of 120/240 volts furnished through one meter for domestic purposes only including lighting, small domestic appliances, water heating, space heating, refrigeration, cooking and domestic single phase motors rated 5 HP or less, where the customer has permanently installed total-electric space heating. Service under this schedule shall not be used to supplement other means of providing space heating. Non-electric sources for water heating, fireplaces, cooking and clothes drying are allowed.

A residential dwelling is a structure used or intended to be used for private living with facilities to be used for living, sleeping, and cooking. This also includes separately metered residential dwellings with incidental farm usage supplied through the same meter, condominiums/townhouses, two-family dwellings (duplexes), and multiple-family dwellings (containing three or more residential dwelling units), and efficiency apartment units. Any dwelling with separate, permanent kitchen facilities shall be considered one single-family residence for application of this rate. This classification also includes service to separately metered loads associated with a single residential dwelling such as garages and barns.

This rate classification does not include: rooming houses, fraternity/sorority houses, multiple-family dwellings (two or more units) served through one common meter, service to a multiple dwelling or apartment house common use areas such as laundry rooms, garages, heating plants, lighting, central air conditioning, etc., or farm/agricultural operations. These services shall be billed under the General Service rate schedule. Service for residential and commercial purposes may be combined through a single meter, but the service shall be billed under the General Service rate schedule.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls

Class of Service: All-Electric Residential Power Exchange

Rate Designations: EL-150NM, EL-160NM

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	Summer (June-Sept)	Winter (Oct-May)
Basic Service Charge	\$8.20/Mo.	\$8.20/Mo.
Net Use By Customer		
First 800 kWh	\$0.0810/kWh	\$0.0810/kWh
All over 800 kWh	\$0.0810/kWh	\$0.0445/kWh
Net Provided to CFU		
All kWh provided to CFU	\$0.0750/kWh credit to customer	\$0.065/kWh credit to customer

Minimum Bill: Basic Service Charge (applies to net energy as well)

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: State and local taxes applicable to net use by customer

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable to NET use by customer

Available:

To any residential customer who has onsite renewable generation on the customer side of the meter and single-phase or three-phase service at 60 Hz at a nominal voltage of 120/240 volts or 480 volts furnished through one meter for domestic purposes only including lighting, small domestic appliances, water heating, space heating, refrigeration, cooking and domestic single phase motors rated 5 HP or less, where the customer has permanently installed total-electric space heating. Service under this schedule shall not be used to supplement other means of providing space heating. Non-electric sources for water heating, fireplaces, cooking and clothes drying are allowed.

A residential dwelling is a structure used or intended to be used for private living with facilities to be used for living, sleeping, and cooking. This also includes separately metered residential dwellings with incidental farm usage supplied through the same meter, condominiums/townhouses, two-family dwellings (duplexes), and multiple-family dwellings (containing three or more residential dwelling units), and efficiency apartment units. Any dwelling with separate, permanent kitchen facilities shall be considered one single-family residence for application of this rate. This classification also includes service to separately metered loads associated with a single residential dwelling such as garages and barns.

This rate classification does not include: rooming houses, fraternity/sorority houses, multiple-family dwellings (two or more units) served through one common meter, service to a multiple dwelling or apartment house common use areas such as laundry rooms, garages, heating plants, lighting, central air conditioning, etc., or farm/agricultural operations. These services shall be billed under the General Service rate schedule. Service for residential and commercial purposes may be combined through a single meter, but the service shall be billed under the General Service rate schedule.

Class of Service: All-Electric Residential Power Exchange, cont.

1. OBLIGATIONS OF CFU

CFU Agrees to:

- a) Purchase excess electricity generated at the Customer's property.
- b) Install appropriate electrical metering that provides for flow of energy both into (from CFU) and out of (to CFU) the property, such metering to provide a net reading of the energy used or supplied during any billing period.
- c) Bill or make payment to the customer for the net electrical energy exchanged, per this billing schedule.

2. OBLIGATIONS OF CUSTOMER

CUSTOMER agrees and warrants:

- a) That the Customer will pay for the electrical power exchanged as provided by CFU per this billing schedule.
- b) That the Customer shall supply CFU with appropriate electrical interconnection plans, which must be designed to protect the safety of CFU and the general public, and which must be pre-approved by CFU. Included in these plans must be the requirement that the customer-owned interconnection equipment must disconnect from CFU's electrical system upon the absence of CFU utility power. Customer must complete a CFU Application for Parallel Operation with Utility Services.
- c) That the Customer agrees to provide CFU access to the metering equipment, and agrees to cooperate with CFU for any special, temporary metering intended to monitor energy flows.
- e) That the Customer agrees to pay for any incremental CFU metering or electrical distribution system costs necessitated to participate in this rate.
- h) That the Customer will provide, install, own and maintain such power exchange and interconnection equipment that provides for the safe interconnection to CFU's system.
- i) That the Customer's installed generation and interconnection equipment will operate safely at the time of installation and throughout the term of the Agreement.
- j) That the Customer will notify CFU of any changes to the Customer's system (size change, generation change, or change in interconnection equipment). Technical information on any changes in Customer's equipment must be provided to CFU and pre-approval received from CFU prior to Customer connection and operation of such equipment.

CFU reserves the right to inspect and test the Customer's equipment and system operation at any time before activation or during the term of this Agreement to ensure proper operation and compliance with safety requirements. The Customer's eligibility for this rate may be terminated by CFU if in the exclusive opinion of CFU engineering staff the system is unsafe or otherwise not operating in compliance with the required terms or any technical requirements. The maximum connected generating capacity allowed under this rate is 25 kW, unless expressly waived by CFU engineering staff.

CFU reserves the right to claim for the purposes of satisfying regulatory or legal requirements or for any transact able value, any renewable energy "green tags" or similar renewable energy credit equivalent to the amount of renewable energy produced by the Customer and served under this rate.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Small Space Heating Service

Rate Designations: EL-200, EL-200R

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	
Basic Service Charge	\$8.20/Mo.
All kWh @	\$0.0445/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To any customer at one location through a separate meter for space heating service. Service must be supplied through one separate meter at a single point of delivery to a solidly-connected, permanently installed, thermostatically-controlled electric space heating installation, aggregating a minimum of 5,000 watts connected.

Specifications:

- 1) A separate meter will be installed for the electric space heating only. No other service is permitted on this rate.
- 2) The heating equipment shall be approved by CFU. In general, it shall be designed for nominal 240 volt operation and not more than 5 KW of installed heating capacity shall be controlled by a single thermostat. In the case of electric furnaces and heat pump installations, the heating elements shall be energized in step stages of not more than 10 KW per step.
- 3) The heating equipment must be permanently installed.
- 4) The installed capacity shall not exceed 50 KW.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Demand Space Heating Service

Rate Designations: EL-250

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	Summer (June-Sept)	Winter (Oct-May)
Basic Service Charge	\$45.00/Mo.	\$45.00/Mo.
Demand Charge All kW of measured demand	\$4.25/kW	\$4.25/kW
Energy Charge First 180 hours x kW of demand	\$0.0510/kWh	\$0.0510/kWh
Next 180 hours x kW of demand	\$0.0400/kWh	\$0.0400/kWh
Over 360 hours x kW of demand	\$0.0400/kWh	\$0.0350/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To any commercial and industrial customer at one location at 60 Hertz, single-phase and/or three-phase service through one meter at the secondary voltage available at the customer's location and CFU deems that the customer uses, or will use, sufficient amounts of service to justify demand metering. A commercial enterprise is one providing goods/services for resale to the general public. An industrial enterprise is one making, creating (manufacturing) tangible goods for resale. Service under this rate schedule applies to, but is not limited to, electric heating service for manufacturing facilities/foundries, warehouses/distribution facilities, retail/grocery stores, convenience stores, apartment complexes & nursing homes, office buildings and office space. Depending on service size and load requirements, this rate schedule may also be applied to restaurants, assembly shops, laboratories, concrete mixing and manufacture, and machine shops.

Determination of Billing Demand

The billing demand shall be the customer's greatest 15-minute demand, in kilowatts, incurred during the month for which the bill is rendered.

Primary Voltage Service

If the customer agrees to take service at the primary voltage available at his/her location and to pay all costs incurred in the ownership, operation and maintenance of transformers and substation equipment (except meters), a discount of \$0.28 per KW of billing demand will be allowed. This discount may be adjusted by CFU to account for combined or totalized metering, whereby both CFU and customer-owned transformers are metered, or for other unusual service characteristics.

Class of Service: Demand Space Heating Service, cont.

Primary Metering

At the option of CFU, a secondary service hereunder may be metered at the primary voltage, in which case a 0.8% discount, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the amount of the monthly bill.

Specifications:

- 1) The space heating installation must be permanently installed.
- 2) Electric energy must be the only source of energy used by the customer for space heating. If the facility utilizes a non-electric source for incidental heating (as determined solely by CFU) the facility may qualify for this rate (at CFU's discretion).
- 3) The heating installation must be approved by CFU.
- 4) A minimum of 30% of the total connected load must be in permanently connected space heating equipment.

Service under this schedule is provided at the option of CFU and unusual costs of service due to the character and/or location of the customer load are subject to negotiation.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: General Service

Rate Designations: EL-300, EL-310, EL-101 (MDU), EL-111 (MDU)

Available: In the CFU electric service area

Monthly Rate:

Price Schedule		
Basic Service Charge		\$21.00/Mo.
First	4,000 kWh @	\$0.0820/kWh
Next	6,000 kWh @	\$0.0610/kWh
Over	10,000 kWh @	\$0.0550/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To any commercial or light industrial enterprise, at one location, that, in the opinion of CFU, has a single meter demand load of 50 KW or less for at least 8 months in a 12 month period. Demand rate schedules may be applied if CFU deems that a customer uses, or will use, sufficient amount of service to justify demand metering. A commercial enterprise is one providing goods/services for resale to the general public. A light industrial enterprise is one making/creating (manufacturing) tangible goods for resale. Service under this rate schedule applies to fraternity/sorority house, multiple-family dwellings (two or more units) served through one common meter or a single meter which provides service to at least one dwelling unit and building common areas such as hallway lights, laundry rooms, service provided to multiple dwelling units common areas, hotels, rooming houses, service to separately metered structures serving a development, multiple homes, or a homeowners' association (i.e. fountain pumps, signs, garages, swimming pools, or clubhouses).

Depending on service size and load requirements, this rate schedule may also be applied to small/medium warehouses, office building and office spaces, restaurants, convenience stores, assembly shops, laboratories, concrete mixing and manufacture, machine shops, churches, public/private schools, non-profit housing served through a single meter (i.e. Exceptional Persons, etc.).

Determination of Connected Load

The three-phase connected load shall be on the basis of nameplate rating or manufacturer's data, or in the case of an incorrect or missing nameplate, CFU may affix the rating by test.

Primary Voltage Service

If the customer agrees to take service at the primary voltage available at his/her location and to pay all costs incurred in the ownership, operation and maintenance of transformers and substation equipment (except meters), a discount of 5%, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the amount of the monthly bill.

Class of Service: General Service, cont.

Primary Metering

At the option of CFU, secondary service hereunder may be metered at the primary voltage, in which case a 0.8% discount, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the amount of the monthly bill. (Not applicable when the 5% primary voltage discount is applied.)

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Large-Volume Power Service

Rate Designations: EL-360, EL-350

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	
Basic Service Charge	\$150.00/Mo.
Demand Charge	
First 50 kW of measured demand	\$0.00/kW
Next 950 kW of measured demand	\$4.85/kW
Over 1,000 kW of measured demand	\$3.00/kW
Energy Charge	
First 20,000 kWh (includes First 50 kW of demand)	\$0.0603/kWh
Next 200 hours x kW of demand	\$0.0481/kWh
Next 110 hours x kW of demand	\$0.0410/kWh
Over 310 hours x kW of demand	\$0.0350/kWh

Minimum Bill: \$280.00/Month

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available: To all large-volume commercial and industrial customers at one location at 60 Hertz, single phase and/or three-phase service through one meter at the secondary voltage available at the customer's location. A large-volume commercial enterprise is one providing goods/services for resale to the general public. A large-volume industrial enterprise is one making/ creating (manufacturing) tangible goods for resale. Service under this rate schedule applies to electric heating service, manufacturing facilities/foundries, large warehouses/distribution facilities, large retail/grocery stores, convenience stores, large apartment complexes & nursing homes, large office buildings. Depending on service size and load requirements, this rate schedule may also be applied to restaurants, assembly shops, laboratories, concrete mixing and manufacture, and machine shops.

Determination of Billing Demand

The billing demand shall be the customer's greatest 15-minute demand, in kilowatts, incurred during the month for which the bill is rendered, but no less than 75% of the highest billing demand during the preceding 11 months or 20 KW, whichever is greater.

Primary Voltage Service

If the customer agrees to take service at the 4 KV or 15 KV primary voltage available at their location and to pay all costs incurred in the ownership, operation and maintenance of transformers and substation equipment (except meters), a discount of \$0.28 per kilowatt of billing demand will be allowed. This discount may be adjusted by CFU to account for combined or totalized metering, whereby both CFU and customer-owned transformers are metered or for other unusual service characteristics.

Class of Service: Large-Volume Power Service, cont.

At the option of CFU, and if the size of the load warrants, a service at transmission voltage (69 KV or above) will be provided with metering on the low side of the CFU-owned transformer and substation equipment, a discount of 7%, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the total bill. This discount may be adjusted by CFU to account for combined or totalized metering, whereby both CFU and customer-owned transformers are metered or for other unusual service characteristics.

Primary Metering

At the option of CFU, secondary service hereunder may be metered at the primary voltage, in which case a 0.8% discount, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the amount of the monthly bill. (Not applicable when the primary voltage billing demand discount is applied.)

Service under this schedule is provided at the option of the CFU and unusual costs of service due to the character and/or location of the customer load are subject to negotiation.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Interruptible Service

Rate Designations: EL-370

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	
Basic Service Charge	\$150.00/Mo.
Demand Charges (when predetermined firm demand <1,000 KW)	
Firm Demand	\$4.85/kW
Controlled demand to 1,000 kW	\$3.65/kW
Controlled demand over 1,000 kW	\$2.00/kW
Demand Charges (when predetermined firm demand =1,000 KW)	
Firm Demand	\$4.85/kW
Controlled Demand	\$2.00/kW
Demand Charges (when predetermined firm demand >1,000 KW)	
Firm Demand to 1,000 kW	\$4.85/kW
Firm Demand over 1,000 kW	\$3.00/kW
Controlled Demand	\$2.00/kW
Energy Charge	
First 250 hours x kW of demand	\$0.0481/kWh
Next 110 hours x kW of demand	\$0.0410/kWh
Over 360 hours x kW of demand	\$0.0350/kWh

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available: At the discretion of CFU, to any customer with a minimum controlled demand of 100 kW per day that has the capability to reduce load upon request by CFU to meet their controlled demand requirements. The customer must be willing and able to interrupt the use of electricity within a reasonable time after notification by CFU. If a customer's failure to curtail to the pre-determined firm demand level when requested results in a CFU penalty or purchase of capacity, as imposed by the Midwest Independent System Operator (MISO), the customer will reimburse CFU for a proportionate share of this penalty or capacity purchase (see "Terms and Conditions" IV below).

Pre-determined Firm Demand

A pre-determined firm demand level shall be specified and agreed to by the customer and CFU. A customer's measured demand in excess of the pre-determined firm demand during control periods shall be subject to penalty as described in Terms and Conditions below.

Class of Service: Interruptible Service, cont.

Determination of Billing Demand

The billing demand in kilowatts shall be the greatest 15-minute measured load during the month rounded to the nearest whole KW.

Control Period

During a billing month, control periods are the periods during which a customer is requested to control demand to the pre-determined level.

Firm Billing Demand

The firm billing demand shall be the lesser of the pre-determined Firm demand or the measured demand as described in "Determination of Billing Demands."

Controlled Billing Demand

The controlled demand shall be the difference between a customer's measured demand and firm billing demand during the billing month, but never less than zero.

Primary Voltage Service

If the customer agrees to take service at the 4 KV or 15 KV primary voltage available at their location and to pay all costs incurred in the ownership, operation and maintenance of transformers and substation equipment (except meters), a discount of \$0.28 per kilowatt of billing demand will be allowed.

At the option of CFU, and if the size of the load warrants, a service at transmission voltage (69 KV or above) will be provided with metering on the low side of the CFU-owned transformer and substation equipment, a discount of 7%, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the total bill. This discount may be adjusted by CFU to account for combined or totalized metering, whereby both CFU and customer-owned transformers are metered, or for other unusual service characteristics.

Primary Metering

At the option of CFU, secondary service hereunder may be metered at the primary voltage, in which case a 0.8% discount, applied before sales and local option tax and after application of the Energy Cost Adjustment and Western Units Revenue Sharing Adjustment, will be allowed on the amount of the monthly bill. (Not applicable when the primary voltage billing demand discount is applied.)

Service under this schedule is provided at the option of the CFU and unusual costs of service due to the character and/or location of the customer load are subject to negotiation.

Terms and Conditions of Service

I. A customer shall control their own load to pre-determined demand level.

1. Customer must:

a. Provide to CFU a list of names of people designated as responsible for curtailment action of the customer's loads and who will take calls from CFU on a 24-hour basis.

2. CFU must:

a. Provide to the customer an authorized list of names of those employees for notifying customers of the curtailment periods.

b. Maintain an official log of all calls notifying customers of the curtailment periods. The information is to include date and time of call, the duration of the curtailment, and the names of the people contacted.

Class of Service: Interruptible Service, cont.

- II. CFU will provide a customer with one hour's notice of an impending curtailment.
- III. Service interruption under this rate shall be at the discretion of CFU. The frequency of interruption will normally occur between 6 and 12 days in a calendar year, occurring at such time when CFU expects to incur new system peak, or for area protection, and at such other times when, in CFU's opinion, the reliability of the system is endangered. The duration of interruption will vary from 2 hours to about 12 hours. Total hours of interruption will not exceed 150 hours per calendar year, excluding interruptions due to physical causes other than intentional curtailment by CFU.
- IV. If a customer's failure to curtail to the firm power level when requested results in a CFU penalty or purchase of capacity, as required by the Midwest Independent System Operator (MISO), the customer will reimburse CFU for a proportionate share of this cost. This amount will not exceed the customer's total annual credit for curtailable load. In the event of a failure of the customer's standby generating equipment, or other unanticipated, non-recurring condition (excluding the customer's failure to reduce production levels), CFU, at its sole discretion, may waive the customer's proportionate share of the cost as required by MISO. The customer shall notify CFU immediately by telephone or facsimile after obtaining knowledge of a condition contemplated by this paragraph. Any payment made to CFU for a customer's proportionate share of cost as required by MISO, or any waiver of such payment, shall not be construed as giving the customer the right to exceed the firm power level during any subsequent curtailment periods. If a customer incurs three failures to control load to pre-determined firm demand level when requested by CFU, CFU reserves the right to renegotiate the predetermined firm demand level or remove a customer from the interruptible service. Further, a customer must maintain a minimum of 100 kilowatts of controllable load and controllable load must remain such as to provide adequate load reduction when required or risk removal from the rate.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Security Light Service-Mercury Vapor

Rate Designations: EL-4X0 (residential non-metered)
EL-4X0M (residential metered)
EL-4X2 (commercial non-metered)
EL-4X2M (commercial metered)

Available: In the CFU electric service area

Monthly Rate:

	<i>Non-Metered</i>	<i>Metered</i>
175 watt security	\$5.00 each	\$1.90 each
400 watt security	\$10.00	\$3.15
400 watt directional floodlight	\$10.00	\$3.15
Pole rental (30' or 35')	\$ 3.00	

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: NOT Applicable

Available:

To any customer for existing outdoor security lighting. CFU will furnish, install, own and maintain one mercury vapor luminary mounted on an existing or rented pole. The light will be provided with a photoelectric control and will burn between the approximate hours of sunset and sunrise.

If the desired location for the light requires the installation of an additional pole(s), the cost of the installation will be at the customer's expense.

CFU will replace lamps and maintain the equipment during regular daytime working hours as soon as possible after notification of trouble by the customer.

No new mercury vapor security lights will be installed and existing luminaries that fail will not be replaced with mercury vapor light.

Effective Date: January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Security Light Service - High Pressure Sodium

Rate Designations: EL-4X0 (residential non-metered)
EL-4X0M (residential metered)
EL-4X2 (commercial non-metered)
EL-4X2M (commercial metered)

Available: In the CFU electric service area

Monthly Rate:

	<i>Non-Metered</i>	<i>Metered</i>
70 watt security	\$6.55 each	\$5.00 each
100 watt security	\$5.00	\$3.15
150 watt security		\$3.15
200 watt security	\$6.95	\$3.15
250 watt directional floodlight	\$8.75	\$4.40
400 watt directional floodlight	\$11.25	\$4.40
Pole rental (30' or 35')	\$ 3.00	

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: NOT Applicable

Available:

To any customer for existing outdoor security lighting. CFU will furnish, install, own and maintain one high-pressure sodium luminary mounted on an existing or rented pole. The light will be provided with a photoelectric control and will burn between the approximate hours of sunset and sunrise.

CFU will replace lamps and maintain the equipment during regular daytime working hours as soon as possible after notification of trouble by the customer.

Effective Date: January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Non-Profit/Governmental/Interdepartmental

Rate Designations: EL-450

Available: In the CFU electric service area

Monthly Rate:

Price Schedule	
Basic Service Charge	\$15.00/Mo.
All kWh @	\$0.0647/kWh

Minimum Bill: Basic Service Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Sales Tax **Does Not Apply to Tax-supported Institutions**

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To local non-profit institutions, local governmental facilities and CFU facilities for general service at 60 Hertz, single and/or three-phase service at the secondary voltage available from the electric distribution system. Included in this classification are City of Cedar Falls facilities, Cedar Falls Utilities facilities, Black Hawk County facilities, State of Iowa facilities, and Federal Government facilities. Also included are churches, private/public schools, and other non-profit organizations (i.e. Goodwill Industries) which have a proof of 501.C.3. status as a non-profit organization.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Electric Street Lighting Service

Rate Designations: EL-500

Available: In the CFU electric service area

Monthly Rate:

Energy Rate:	\$0.0480/kWh
Capital Charges:	Total street lighting investment balance multiplied by the monthly CFU capital
Operation & Maintenance Charges:	Actual monthly costs incurred

Minimum Bill: None

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Sales Tax **Does Not Apply**

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Applicable

Available:

To the City of Cedar Falls for municipal street lighting service.

Effective Date: usage beginning on January 1, 2012

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Electric UNI Interconnection & Service Schedule

Rate Designations: EL-550

Available: In the CFU electric service area

Monthly Rate:

Demand Charge	\$7.30/kW
Energy Charge	\$0.020/kWh

Minimum Bill: the Facilities Charge

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Sales Tax **Does Not Apply**

Energy Cost Adjustment and Western Units Revenue Sharing Adjustment: Per Contract

Facilities Charge

The capital cost of the interconnection facilities as shown in Exhibit A of the current Interconnection Facilities and Service Agreement, multiplied by 1.17%.

Reactive Demand Charge

A charge of \$0.10 per KVAR shall be made each month for the maximum 60-minutes clock hour reactive power demand, measured in KVAR, recorded as delivered to UNI from the CFU system during the previous months of June through September falling within the previous 11 months.

Determination of Billing Demand

The billing demand shall be the greater of: the greatest UNI system demand recorded during the month, less the UNI cogeneration unit *Capacity Credit* for the month; or the greatest UNI system demand recorded during the previous months of June through September (falling within the previous 11 months), less the UNI cogeneration unit *Capacity Credit* for that month in which the peak occurred. The *Capacity Credit* is defined in Section 7.11 of the Agreement.

Other Conditions

Available under the terms of an interconnection agreement between the Board of Trustees of the Municipal Electric Utility and the Iowa State Board of Regents.

Effective Date: March 1, 1994

Municipal Electric Utility of the City of Cedar Falls, Iowa

Class of Service: Optional Non-Residential Renewable Energy Purchase

Rate Designations: Rider

Available: In the CFU electric service area

Monthly Rate:

<i>Renewable Energy Charge</i>	<i>\$0.020/kWh</i>
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Minimum Bill: NA

Late Payment Charge: 1-1/2% on the unpaid balance after 25 days from bill date

Taxes: Subject to applicable state and local taxes

Determination of Renewable Energy Charge:

The Renewable Energy Purchase Rider is applied to the customer's bill in addition to the base rate billing.

The customer is allowed to select the percentage of their energy they will purchase as renewable. The selection can be in 5% increments, from 5% to 100%.

The total billed Renewable Energy Charge will be calculated by multiplying the total monthly energy use, in kWh, by the renewable percentage selected by the customer multiplied by the Renewable Energy rate.

Available To:

At CFU's discretion, to commercial, industrial or governmental entities served by a commercial, industrial or governmental rate. Enrollment in the rate rider is available solely at CFU's discretion and is dependent upon the availability of CFU-owned or purchased renewable energy resources.

Other Conditions:

Upon request, the customer will be provided annual documentation and rights to ownership of any green tags associated with the customer's purchase of renewable energy.

Effective Date: usage beginning on November 1, 2009