



123 3rd Avenue South - P.O. Box 207 - Coon Rapids, IA 50058
TEL: 712.999.2225 FAX: 712.999.5148
URL: <http://www.crmu.net>
EMAIL: info@crmum.net

Established 1937

COON RAPIDS MUNICIPAL UTILITIES

Dear CRMU Customer:

Thank you for requesting information on interconnecting a Qualifying Facility (QF) to Coon Rapids Municipal Utilities' (CRMU) electric distribution system. Please note that CRMU is a member of the North Iowa Municipal Electric Cooperative Association (NIMECA) which coordinates the power supply and interconnection of generation resources for CRMU. I hope this letter and the enclosed information will be helpful as you make decisions on the installation and interconnection of your distributed generation resource.

The Public Utility Regulatory Policies Act of 1978 (PURPA) requires utilities to purchase excess energy and capacity produced by Qualifying Facilities (QF) at the utility's full avoided cost. Regardless of facility size, CRMU therefore requires that customers self-certify or commission certify their facility with the Federal Energy Regulatory Commission (FERC) to become a Qualifying Facility (QF) for purposes of required interconnection. Questions regarding self-certification or commission certification and becoming a Qualifying Facility should be directed to FERC by calling (202) 208-0556 or additional information can be found at: <http://www.ferc.gov/industries/electric/gen-info/qual-fac.asp>.

Please note that under 18 CFR 292.207(a)(ii) you must send a copy of your notice of self-certification, including FERC Form 556, to the Coon Rapids Municipal Utilities and the Iowa Utilities Board (IUB). The copy to CRMU should be sent to:

Coon Rapids Municipal Utilities
123 3rd Avenue S., PO Box 207
Coon Rapids, IA 50058

The copy to the Iowa Utilities Board should be sent to:

Joan Conrad
Executive Secretary
Iowa Utilities Board
1375 E. Court Avenue, Room 69
Des Moines, IA 50319-0069

CRMU strongly encourages customers to read through the Iowa Utilities Board's "Informational Guide for On-Site Generation (Distributed Generation)" in order to ensure you have also considered any potential legal barriers (i.e. local planning & zoning, building permits, restrictive covenants, easements, etc.) as well as additional liability insurance needs and requirements.

Customer Purchases from CRMU

Electric power and energy purchased from CRMU by the customer will continue at the applicable rate schedule depending upon your operations and requirements. CRMU does NOT have a separate price or rate schedule for co-generators, but reserves the right to create a separate price or rate based upon the unique characteristics of the customer's load.

**ELECTRIC
NATURAL GAS
WATER
WASTEWATER
COMMUNICATIONS**

CRMU Purchases from Customer

CRMU will purchase power from a Qualifying Facility (QF) under the terms and conditions of CRMU's Qualifying Facility (QF) Rate Schedule. This QF Rate Schedule applies to facilities 100 kW or less. Purchase power from a facility with design capacity greater than 100 kW will be determined on a case by case basis. For your review, a summary of the interconnection and purchase terms are set forth below.

Interconnection Costs

Interconnecting with the CRMU distribution system may require you to incur additional costs that may impact any economic analysis or payback that you have calculated. Under federal and state regulations, interconnection costs include switching, metering, transmission, distribution, safety provisions and administrative costs incurred by CRMU directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a Qualifying Facility.

Each Qualifying Facility is obligated to pay any interconnection costs, which CRMU may incur and assess to the Qualifying Facility. Customers are advised that CRMU is not responsible for designing, installing, permitting, owning, operating or maintaining any of the facilities on the customer side of the interconnection. Before proceeding further with this project and making financial commitments, you may want to complete an analysis of the estimated costs of the interconnection. These costs will vary based upon each customer's specific facility design.

Metering

All purchases of electric power by CRMU from your facility will be separately metered. The meter(s) will include equipment capable of recording real and reactive power flow and demand and energy in fifteen (15) minute intervals for the entire billing period format compatible with CRMU's existing metering and billing system. Metering equipment also includes any telemetry equipment (e.g. radio, cellular, ip-based, etc.) required by CRMU. Meters shall be read monthly by CRMU at the time required by CRMU and any costs incurred for meter reading, data retrieval and translation shall be borne by the owner of the Qualifying Facility. CRMU shall bill the customer for any such costs.

Rates for Purchase by CRMU

Payment to the customer for the power purchased by CRMU shall appear as bill credits on your monthly bill. CRMU's obligation for payment to you shall not commence until you have received written approval to energize the Qualifying Facility from CRMU. Please see CRMU's Qualifying Facility (QF) Rate Schedule for detailed rate information.

Additional information regarding renewable generation and interconnection may be obtained from any number of industry web sites and sources. However, please keep in mind that what is mandated in one state may not be applicable in Iowa and what may be required for investor-owned utilities may not be required for municipal utilities like CRMU.



123 3rd Avenue South - P.O. Box 207 - Coon Rapids, IA 50058
TEL: 712.999.2225 FAX: 712.999.5148
URL: <http://www.crmu.net>
EMAIL: info@crmum.net

Established 1937

COON RAPIDS MUNICIPAL UTILITIES

Please do not hesitate to call if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bradley A. Honold', is written over a white background.

Bradley A. Honold
General Manager
Coon Rapids Municipal Utilities

ELECTRIC
NATURAL GAS
WATER
WASTEWATER
COMMUNICATIONS