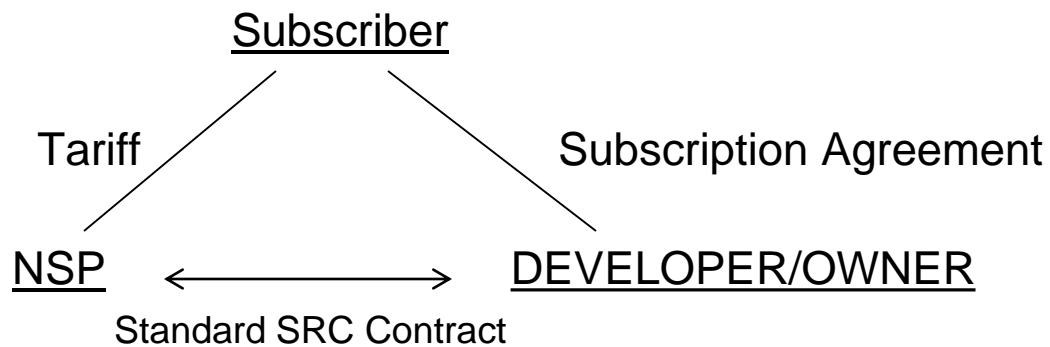


Community Solar Gardens- Current Subscriber Issues



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Subscriber Relationship



Tariff and Standard SRC Contract are regulated by MPUC.

The Subscription Agreement is a private contractual relationship - over which neither NSP nor MPUC may have complete jurisdiction.

Disclosure Requirements



1. Minn. Stat. Section 216B.1641(B): Any CSG plan approved by the [MPUC] must:
 - (5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions.
2. Standard contract, para. 6(S), NSP Tariff Book, Section 9

Fair Disclosure. Prior to the time when any person or entity becomes a Subscriber, the Community Solar Garden Operator will fairly disclose the future costs and benefits of the Subscription, and provide to the potential Subscriber a copy of this contract. The Community Solar Garden Operator shall comply with all other requirements of the MPUC and applicable laws with respect to communications with subscribers.

Subscription Costs & Benefits

Cost: Subscriber Payment to CSG Owner (\$ per kWh)

Fixed; Escalator; Hybrid

Benefits: Bill Credits at Applicable Retail Rate (ARR)

Current Residential Rates: CSG >250kW \$0.14596/kWh

CSG <250kW \$0.15596/kWh

Current General Service Rates: CSG >250kW \$0.11740/kWh

CSG <250kW \$0.12740/kWh

ARR adjusts yearly on 4-1; historical rate of change +2.6%/year over last 25 years.

A subscriber who is interested in the economics of a subscription will need to know the estimated difference between subscriber payments and value of corresponding bill credits. Total value is also dependent on estimated production from the subscriber capacity.

Example of SA Pricing

Residential Customer

CSG > 250kW in size

ARR = \$0.14596/kWh; assume 2.0% increase per year

Subscription Payment at year one: \$0.14/kWh, escalating at 2.75% per year

Year	Subscription Payment (\$/kWh)	ARR (\$/kWh)	Benefit
1	0.1400	0.14596	0.00596
2	0.14385	0.14888	0.00503
3	0.14781	0.15186	0.00405
4	0.15187	0.15489	0.00302
5	0.15605	0.15799	0.00194
6	0.16034	0.16115	0.00081
7	0.16475	0.16437	(0.00038)
8	0.16928	0.16766	(0.00162)
9	0.17393	0.17102	(0.00291)
10	0.17871	0.17444	(0.00327)

Disclosure Issues



1. No disclosure of ARR rate change or comparison to subscription payment.
2. Subscription payment subject to increase for taxes, change in law, other cost increases.
3. No disclosure of specific CSG or production estimates, and reservation of right to change CSG assignment and all other factors affecting production.

Other Subscriber Issues

1. Production Warranties
2. Termination Fees
3. Subscription Termination Limits
4. FICO Screening – Low-income customers

About Jeffrey C. Paulson

- Jeffrey C. Paulson is the principal in his own law firm in Minneapolis, and has been practicing in the area of energy law for over twenty years, with his practice focusing on representing clients developing and owning renewable energy projects, including locally owned wind and solar projects, in Minnesota, Iowa, Colorado, the Dakotas, Nebraska, Texas, North Carolina, Rhode Island, Michigan and Virginia.
- He has extensive experience in leasing and site acquisition, project ownership structures, permitting, construction and turbine contracting, PPA and interconnection agreement negotiation, and negotiation of financing terms and documents.
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