SCHEDULE 1 – RULES GOVERNING COGENERATION AND SMALL POWER PRODUCTION

	2025 (rates used in 2026)	2024 (rates used in 2025)	
RESIDENTIAL			
Total revenues	$ 72,151,809.79	$ 66,161,624.04	
Less fixed revenues (customer charge)	$15,700,218.27	$ 14,783,294.10	
Net revenues	$56,451,591.52	$ 51,378,329.94	
kWh	388,237,951	369,450,757	
Average retail energy rate	**$ 0.14540**	**$ 0.13907**	4.56%
COMMERCIAL			
SGS			
Total revenues	$ 12,368,078.92	$ 11,885985.77	
Less fixed revenues (customer charge)	$ 1,543,956.71	$ 1,677,955.13	
Net revenues	$ 10,824,122.21	$ 10,208,030.64	
kWh	71,961,431	71,582,853	
Average retail energy rate	**$ 0.15042**	**$ 0.14260**	5.48%
MGS			
Total revenues	$ 58,618,486.69	$ 54,485,901.70	
Less fixed revenues (customer charge)	$ 25,126,580.84	$ 23,606,251.13	
Net revenues	$ 33,491,905.85	$ 30,879,650.57	
kWh	418,848,803	401,948,724	
Average retail energy rate	**$ 0.07996**	**$ 0.07682**	4.08%
LGS			
Total revenues	$ 21,736,940.36	$ 21,807,787.36	
Less fixed revenues (customer charge)	$ 7,423,219.31	$ 7,537,139.76	
Net revenues	$ 14,313,721.05	$ 14,270,647.60	
kWh	181,103,297	187,220,478	
Average retail energy rate	**$ 0.07904**	**$ 0.07622**	3.69%
INDUSTRIAL			
Total revenues	$ 11,128,658.16	$ 11,687,191.40	
Less fixed revenues (customer charge)	$ 4,797,928.76	$ 5,090,975.65	
Net revenues	$ 6,330,729.37	$ 6,596,215.75	
kWh	85,333,818	90,802,097	
Average retail energy rate	**$ 0.07419**	**$ 0.07264**	2.13%

Approved by Rochester Public Utility Board: *March 31, 2026*
Effective Date: *April 1, 2026*

SCHEDULE 2 – AVERAGE INCREMENTAL COST

Estimated Marginal Energy Costs ($/MWh)						
		2026	**2027**	**2028**	**2029**	**2030**
Summer	**On Peak**	46.53	44.62	46.31	47.48	48.61
	Off Peak	26.87	23.82	24.69	27.71	29.06
	All Hours	35.91	33.39	34.64	36.80	38.06
Winter	**On Peak**	45.74	46.59	46.23	44.41	45.34
	Off Peak	33.63	36.71	37.63	37.60	39.36
	All Hours	39.20	41.26	41.59	40.73	42.11
Annual	**On Peak**	46.14	45.61	46.27	45.94	46.98
	Off Peak	30.25	30.27	31.16	32.65	34.21
	All Hours	37.56	37.32	38.11	38.76	40.08
Annual # of hours on-peak:		4,176	4,176	4,160	4,176	4,176

Description of season and on-peak and off-peak periods	
Summer:	April through September
Winter:	October through March
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)
Off-peak period:	All other hours

Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of Rochester Public Utilities are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal's incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

Capacity Payment for Firm Power (Net annual avoided capacity cost)

A capacity payment will be made for energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum on-peak metered capacity delivered to the utility during the month. The capacity component applies only to deliveries during on-peak hours.

Capacity Payment ($/kWh)	
	2026
Capacity Value per kWh (On-Peak Hours)	$ 0.049
Capacity Value per kWh (All Hours)	$ 0.033