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**COGENERATION AND SMALL POWER PRODUCTION ENERGY PURCHASES  
FROM FACILITIES OF 100 KW OR LESS**

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(1) **AVAILABILITY**

Service under this Schedule is available in accordance with LPSC Order No. U-22739 at any point on the Company's electric system where facilities of adequate capacity and suitable phase and voltage are adjacent to the Cogeneration or Small Power Production Facility.

(2) **APPLICATION**

This Schedule is applicable to the purchase of energy from a Customer's Qualifying Facility (QF) with a design capacity less than 100 kW contracting for the sale of energy to the Company. A QF is defined as a small power production facility or cogeneration facility that qualifies under Subchapter K, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations that implement the Public Utility Regulatory Policies Act of 1978 (PURPA) Sections 201 and 210 and as addressed in LPSC Order No. U-22739. Company will accept and pay for all electric energy which is produced by the QF and delivered into the Company's system, subject to the provisions of a dually executed Purchased Power Agreement.

Customers operating QFs shall contract under the terms of an Interconnection Agreement.

(3) **TYPE OF SERVICE**

Single-phase or three-phase alternating current at 60 Hertz at any one standard voltage.

(4) **MONTHLY PURCHASE RATE**

Energy Purchase Rate for energy delivered to the Company's system by the QF:

All kWh, all months	<b>\$0.03019 per kWh</b>
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This purchase rate shall be adjusted annually based upon the Company's newly calculated projected avoided costs.

(5) **MONTHLY SERVICE CHARGE**

A Service Charge of **\$40.00** shall be billed to the Customer by the Company each month. This charge represents the monthly cost to the Company for metering and billing.



**(6) FACILITIES CHARGE**

Facilities Charges related to the interconnection of the QF to the Company's system shall be agreed upon between the Company and the Customer based on the cost of the facilities and the anticipated annual charges required. Such agreement shall be in writing and made a part of the Interconnection Agreement. Any Facilities Charges shall be billed to the Customer by the Company on a monthly basis.

**(7) MINIMUM MONTHLY CHARGE**

The minimum monthly charge under this Schedule shall be the monthly Service Charge plus any Facilities Charges. There is no minimum monthly payment to the Customer.

**(8) QUALIFYING FACILITIES**

Refer to LPSC Order No. U-22739 Section 101 (b)(1).

**(9) METERING**

The metering configuration required to determine the amount of energy delivered to the Company's system by the QF shall be designed by the Company. The Company may install, at Company's option and expense, recording meters in order to obtain load research information. The Customer shall supply, at its own expense, a suitable location for meters and associated equipment used for billing and for load research. This location must be accessible from a public right-of-way without any intervening wall, fence, or other obstruction. The Company will install, own, and maintain all meters and metering equipment.

**(10) INTERCONNECTION FACILITIES**

The following provisions shall apply except where specifically excluded, or modified by the Interconnection Agreement between the Company and the Customer.

The Customer will be required to pay all incremental costs of interconnection above the cost to provide standard service to the Customer's class of service.

The Customer shall furnish and install a disconnecting switch in a visible location outside any building for the purpose of isolating the QF from the Company's system. The switch current and voltage ratings shall be equal to the current and voltage ratings of the main service entrance equipment. The Customer shall provide the Company with a map showing the exact location of the switch. The switch shall be of the securable type and be secured with a Company-owned padlock. Ingress and egress to this switch by Company personnel shall be provided at all times by the Customer.

The switch may be opened and secured with a Company-owned padlock by the Company because of the following:

- (a) Modification of the QF without Company approval
- (b) Company system emergency

- (c) The Customer's equipment is hazardous to Company employees, its Customers or its system as determined by the Company
- (d) The Customer's equipment is interfering with service to other Company Customers or interfering with the operation of Company equipment.
- (e) A failure of the Customer to adhere to the Interconnection Agreement
- (f) Any act or condition calling for suspension as may be allowed under any rule or regulation of the LPSC or any authority having jurisdiction

The switch may be opened by the Company without prior notice to the Customer for any act included in parts (a-d) and, if allowed by any applicable rule or regulation, for any act included in part (f) and the Company shall make a reasonable effort to give prior notice to the Customer of the opening of the switch pursuant to part (e).

The Customer shall furnish and install equipment which will automatically isolate the QF from the Company's system in the event of loss of Company service. The complexity and cost of such equipment will be dependent on the size of the Customer's QF and its ability to self-sustain operation.

The Customer shall furnish and install equipment which will properly match voltage and phase and synchronize power from the QF with Company service. All QFs shall maintain a current distortion level of five (5) percent or less. The current distortion level is equal to 100 times the ratio of the square root of the sum of the squares of the root-mean-square of the current. The Customer will have to acknowledge its understanding that several small systems on one Company line have the potential of significantly degrading the Company's system integrity; therefore, the Customer shall agree to accept the responsibility for any electric service problems that Customer's QF may cause.

The Customer will be required to install power factor correction equipment approved by the Company if the reactive energy requirement associated with the operation of the Customer's QF adversely affects the Company's system or the quality of service supplied to other Customers.

The Customer shall agree to locate the QF so as not to cause a hazard to the Company's distribution system.

The Company shall not own, nor have any interest in, any facilities to be provided by the Customer as described above. The Customer shall not own, nor have any interest in, any facilities to be provided by or on behalf of the Company as described above, and the Company shall have the right, exercisable within a reasonable time after the expiration or other termination of this Agreement, to remove its facilities.

**(11) OPERATION OF FACILITIES**

Prior to interconnection the Customer shall supply the Company with detailed electrical diagrams and other necessary data on the proposed QF and its protection systems for the Company's review and approval. The completed installation will be subject to a final inspection and test by the Company before parallel operation is permitted. The Company in its sole judgment will determine satisfactory performance.

The Customer shall notify the Company prior to any modification made to the QF or to the interconnection between the QF and Company. The Customer must receive approval from the Company prior to proceeding with modifications. The Customer shall permit the Company, at any time, to install or modify any equipment, facility or apparatus to protect the safety of its employees or ensure the accuracy of its metering equipment.

The cost of the above shall be borne by the Customer.

The Customer shall ensure that their QF and all equipment connected therewith comply with the National Electric Code, the National Electric Service Code, and/or any applicable local, state, and federal government requirements. Customer agrees to hold Company harmless for any damage to person or loss to property arising out of Customer's failure to comply with such codes or legal requirements.

The Customer shall permit Company employees to enter upon the QF owner's property at any time for the purpose of inspecting and/or testing the QF facilities to ensure their continued safe operation and the accuracy of the Company's metering equipment, but such inspection shall not relieve the Customer from the obligation to maintain the facilities in satisfactory operating condition.

The Company shall have the right to disconnect a small power producer who has interconnected without Company authorization.

**(12) LIABILITY**

The Customer will indemnify and save the Company and its employees harmless from all liability and loss on account of injury or damage to persons or property growing out of any accident or mishap caused by the operation of the Customer's equipment or by any failure of the Customer to maintain their equipment in satisfactory and/or safe operating condition.

**(13) SERVICE PERIOD**

Not less than one year.

**(14) PAYMENT**

The Company shall prepare a monthly statement showing the monthly Service Charge, any Facilities Charges, and kWh delivered to the Company for the monthly billing period and the total amount due to or from the Customer. Any amounts due the Customer or the Company shall be paid within 20 days of the end of the monthly billing period.

**(15) TERMS AND CONDITIONS**

Customers operating QFs will be required to contract under the terms of an Interconnection Agreement.

The Company will require the Customer to sign a statement certifying that Customer is a QF and meets the requirements of LPSC Order No. U-22739, Section 101 (b)(1), and Federal Energy Regulatory Commission Rules and Regulations, Part 292, Subpart B, Section 292.201 through 292.207.