

NORTHEAST NEBRASKA PUBLIC POWER DISTRICT Rate Schedule AC-1

Effective: For service rendered on and after January 1, 2012

SECTION 1 - APPLICABILITY. Rate Schedule AC-1 applies to Northeast Nebraska Public Power District (“NENPPD”) Customers that own and operate a non-dispatchable DG Facility, not exceeding a total nameplate rating 25 kW and which is located on the Customer’s premises; produces energy mainly for consumption on site; is interconnected and operates in parallel with the NENPPD’s existing facilities; and is measured by NENPPD at a single metered facility located at the immediate interconnection point of the Customer’s generating facility.

SECTION 2 - AVAILABILITY. This service shall be available to Customers of NENPPD who agree to the requirements of this tariff and who currently have valid Energy Purchase and Interconnection and Service Agreements with NENPPD.

Compensation provided for through this Rate Schedule AC-1 to the Customer is determined using the rates paid by NENPPD to Nebraska Electric Generation and Transmission Cooperative, Inc. (“NEG&T”) for wholesale power and energy as its basis. Rate Schedule AC-1 will be revised from time to time as said wholesale rates paid by NENPPD are modified. In the event there is any inconsistency between the provisions of this Rate Schedule AC-1 and those rate schedules, which are a part of the NENPPD/NEG&T Wholesale Power Agreement, then the provisions of the NENPPD/NEG&T Power Contract rate schedules shall govern.

SECTION 3 - DEFINITIONS

- A). “Customer” – Any person, firm, association, or corporation, public or private, that purchases or is eligible to purchase electric energy from the interconnected electric system of NENPPD.
- B). “Generation” - The output from the DG Facility installed and owned by the Customer and which output is being purchased by NENPPD.
- C). “Point of Delivery” - That point where the Customer delivers power and energy for receipt by NENPPD identified as DG Operator Point of Delivery on Exhibit A to the Interconnection and Service Agreement between the Customer and NENPPD.
- D). “DG Facility” - All systems, equipment, facilities and other items comprising or necessary to produce, operate, and maintain the Customer’s generation, which includes obtaining and delivery of fuel, and the generator systems.

- E). "Metering Equipment" - All equipment used to meter the amount of Customer generation, the amount of electrical power and energy delivered from NENPPD to the Customer, and the amount of electrical power and delivered from the DG Facility to the NENPPD system.
- F). "Point of Measurement" - That point(s) where the amount of generation, the amount of electrical power and energy delivered from NENPPD to the Customer, and the amount of electrical power and delivered from the DG Facility to the NENPPD system are metered, all as identified on Exhibit A to the Interconnection and Service Agreement between the Customer and NENPPD.
- G). "Compensation Period" - Any calendar month. In the event of a billing for a fraction of a Compensation Period, NENPPD shall make a proportionate adjustment of the compensation for such Compensation Period. Compensation will be remitted on a monthly basis.
- H). "Measured Energy" - The number of kilowatts (kW) delivered at any point during any clock hour as measured by kilowatthour metering equipment.
- I). "On-Peak Hours" – That subset of hours as defined in Section 5 of this Rate Schedule.
- J). "Summer Season" – The Billing Periods June through September.
- K). "Winter Season" – The Billing Periods October through May.
- L). "Interconnection Service Agreement" – The Agreement executed by the Customer and NENPPD that specifies the interconnection requirements and facilities necessary for service to be provided to DG Operator.
- M). "Energy Purchase Agreement" – This Agreement executed by the Customer and NENPPD that specifies the conditions and parameters under which NENPPD will purchase the output of the facility owned by the DG Operator.

SECTION 4 - SERVICE CONDITIONS

1. The Customer agrees to sell and deliver to NENPPD, and NENPPD agrees to purchase, the entire electric output of the Customer's DG facility. For electric energy sold and delivered to NENPPD pursuant to this Agreement, NENPPD agrees to pay the Customer an amount equal to the calculated avoided cost as outlined in the Monthly Compensation section of this Rate Schedule AC-1
2. The Customer is solely responsible for all costs associated with its facility, for all costs related to construction or system studies for the facility, for all costs related to any Customer-initiated modifications to the facility, for all maintenance cost of the facility

and for all costs related to any modifications to the facility that may be required by NENPPD for purposes of safety and reliability.

3. A Customer's DG facility shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers and qualified independent testing laboratories.
4. The Customer shall, at its expense provide lockable switching equipment capable of isolating the DG facility from NENPPD's system. Such equipment shall be approved by NENPPD and shall be accessible by NENPPD at all times.
5. NENPPD shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a DG Facility, or for the acts or omissions of the Customer that causes loss or injury, including death, to any third party.
6. NENPPD shall have the right to disconnect the facility from NENPPD's supply at the disconnect switch, at its sole discretion, when necessary to maintain safe electrical operating conditions, or if the facility, at any time, adversely affects the operational integrity of NENPPD's service to the Customer or other Customers.

SECTION 5 - MONTHLY COMPENSATION

For the convenience of owner's of DG facilities the avoided cost calculation is expressed in flat cents per kWh. This calculation is based upon assumptions common to wind generation, but because no actual metering can be available on future sites, these assumptions are based on reasonable knowledge of wind production data. These assumptions can change as more data is obtained and turbine efficiency increases. The assumptions are:

- 30% capacity factor
- 17% coincidence factor
- 58% on peak hours and 42% off peak hours per 2011 wholesale power rate schedule "A-1" of the Nebraska G&T
- 6.5% credit for distribution line losses avoided

<u>Purchase prices per kWh:</u>	<u>Summer</u>	<u>Winter</u>	<u>Average Annual</u>
	4.22 ¢	3.53 ¢	3.90 ¢

(The average annual cents per kWh is offered for estimation purposes only. Payments will be made based on the seasonal prices.)

SECTION 6 - APPROVAL AND MODIFICATION OF SCHEDULE

This Rate Schedule AC-1 and all rates, charges, provisions, terms, conditions, and specifications of service therein, was adopted by Resolution of the Northeast Nebraska

Public Power District Board of Directors on October 26, 2010. The Northeast Nebraska Public Power District Board of Directors retains all rights, powers and authority to modify, revise, amend, replace or repeal any or all of this Rate Schedule AC-1, in whole or in part, by Resolution adopted by the Northeast Nebraska Public Power District Board of Directors. Should this occur, NENPPD shall provide a revised Rate Schedule AC-1 to the Customer at least 30 days prior to the implementation of said schedule, and any such amended rate schedule shall be provided without the necessity of a formal amendment to the Energy Purchase Agreement between the Customer and NENPPD. Nothing in this Rate Schedule AC-1 shall be construed as affecting in any way the right and authority of NENPPD to make such changes.

Signed: _____
Secretary