

NORTHEAST NEBRASKA PUBLIC POWER DISTRICT Small Non-Dispatchable AC-1 Rate Schedule

Effective: For service rendered on and after _____, 20__

SECTION 1 - APPLICABILITY. This Small Non-Dispatchable AC-1 Rate Schedule applies to Northeast Nebraska Public Power District (“NNPPD”) Customers that own and operate a Non-Dispatchable Distributed Generation (DG) Facility that is located on the Customer’s premises at a single location, that has an aggregate nameplate rating of 1,000 kW or less (2,000 kW or less for wind generators), is interconnected and operates in parallel with the NNPPD’s existing facilities, and is measured by NNPPD at a single metered facility located generally at the immediate interconnection point of the Customer’s generating facility.

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

Compensation provided for through this Small Non-Dispatchable AC-1 Rate Schedule to the Customer is determined using the rates paid by NNPPD to Nebraska Electric Generation and Transmission Cooperative, Inc. (“NEG&T”) for wholesale power and energy as its basis. The Small Non-Dispatchable AC-1 Rate Schedule will be revised from time to time as said wholesale rates paid by NNPPD are modified. In the event there is any inconsistency between the provisions of this Small Non-Dispatchable AC-1 Rate Schedule and those rate schedules which are a part of the NNPPD/NEG&T Wholesale Power Agreement, then the provisions of the NNPPD/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 power and energy from the interconnected electric system of NNPPD.
- B). “Generation” - The output from the DG Facility installed and owned by the Customer and from which any excess generation above the Customer’s on-site requirements is being purchased by NNPPD.
- C). “Point of Delivery” - That point where the Customer delivers power and energy for receipt by NNPPD identified as DG Operator Point of Delivery on Exhibit A to the Interconnection and Service Agreement between the Customer and NNPPD.

- 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 electrical power and/or energy delivered from NNPPD to the Customer, the amount of electrical power and/or energy delivered from the DG Facility to the NNPPD system, and when deemed appropriate by NNPPD, the amount of total DG Facility generation.
- F). "Point of Measurement" – That point(s) where the amount of electrical power and/or energy delivered from NNPPD to the Customer, the amount of electrical power and/or energy delivered from the DG Facility to the NNPPD system and the amount of DG Facility generation are metered, as identified on Exhibit A to the Interconnection and Service Agreement between the Customer and NNPPD.
- G). "Compensation Period" - Any calendar month. In the event of a billing for a fraction of a Compensation Period, NNPPD 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). "Summer Season" – The Billing Periods June through September.
- J). "Winter Season" – The Billing Periods October through May.
- K). "Interconnection Service Agreement" – The Agreement executed by the Customer and NNPPD that specifies the interconnection requirements and facilities necessary for service to be provide to DG Operator.
- L). "Energy Purchase Agreement" – This Agreement executed by the Customer and NNPPD that specifies the conditions and parameters under which NNPPD will purchase the output of the facility owned by the DG Operator.
- M). "Avoided Costs" – The generation and/or purchased power costs that NNPPD avoids and/or receives compensation from NEG&T as a result of purchasing the output of a Distributed Generator. Avoided Costs may include energy and/or capacity.
- N). "Non-Dispatchable Distributed Generation (or Generator)" – A generator(s) that cannot run on the owner's command. Such generator generally has no fuel storage or requires an auxiliary steam-consuming process to be operating in order to generate. Examples include certain cogeneration installations, wind, and photo voltaic generators.

SECTION 4 - SERVICE CONDITIONS

- A). The Customer agrees to sell and deliver to NNPPD, and NNPPD agrees to purchase, such electric output of the Customer's electric generator which exceeds the on-site requirements of the Customer. For electric energy sold and delivered to NNPPD, NNPPD agrees to reimburse the Customer, either through a credit on a future invoice to the Customer or by means of a direct payment from NNPPD to the Customer, an amount equal to the calculated avoided cost as outlined in the Monthly Compensation section of this Small Non-Dispatchable AC-1 Rate Schedule.
- B). 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 NNPPD for purposes of safety and reliability.
- C). 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.
- D). The Customer shall, at its expense provide lockable switching equipment capable of isolating the DG facility from NNPPD's system. Such equipment shall be approved by NNPPD and shall be accessible by NNPPD at all times.
- E). NNPPD 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.
- F). NNPPD shall have the right to disconnect the facility from NNPPD's supply at he 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 NNPPD's service to the Customer or other Customers.

SECTION 5 - MONTHLY COMPENSATION

Rates for such compensation are as follows:

Generated Energy

[Per Measured Kilowatthour (kWh) of Energy Generated]

Energy Season:	
Summer	\$0.03562
Winter	\$0.02360

SECTION 6 - DETERMINATION OF ENERGY AMOUNTS

Generation Energy:

The generated energy for monthly compensation shall be the total measured energy during any summer or winter Compensation Period. Said seasonal Compensation Periods are as follows:

<u>Season</u>	
Summer	The months of June through September
Winter	The months of January through May And October through December

SECTION 7 - APPROVAL AND MODIFICATION OF SCHEDULE

This Small Non-Dispatchable AC-1 Rate Schedule 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 _____, 2006. 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 Small Non-Dispatchable AC-1 Rate Schedule, in whole or in part, by Resolution adopted by the Northeast Nebraska Public Power District Board of Directors. Should this occur, NNPPD shall provide a revised Small Non-Dispatchable AC-1 Rate Schedule 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 NNPPD. Nothing in this Small Non-Dispatchable AC-1 Rate Schedule shall be construed as affecting in any way the right and authority of NNPPD to make such changes.