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**SMALL QUALIFYING FACILITIES**

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**I. AVAILABILITY**

At all points throughout the territory served by the Company (except the Fifteenth Ward of the City of New Orleans) where facilities of adequate capacity and suitable phase and voltage are adjacent to the small qualifying facility (SQF). Where facilities of adequate capacity and suitable phase and voltage are not adjacent to the premises to be served, Company will require a contribution from the SQF to provide such facilities. In addition to such contribution, the SQF shall be obligated to pay all other reasonable costs directly related to the installation of the facilities necessary to permit interconnected operation between the SQF and Company. Such contributions to costs shall be paid by the SQF prior to the purchase of energy by the Company.

**II. APPLICATION**

This rate schedule is applicable to purchases by the Company of energy generated by an SQF. Customer's electrical requirements supplied by the Company shall be separately metered and billed in accordance with the Company's standard filed applicable rate schedule.

For purposes of this rate schedule, an SQF is a qualifying facility as defined in Louisiana Public Service Commission Order No. U-14964, Section 101, (b), (1), dated November 24, 1982, with a design capacity of 100 kilowatts or less.

**III. TYPE OF SERVICE**

Alternating current, 60 cycles, single or three phase and at one standard voltage as described in Company's Service Standards.

**IV. NET MONTHLY PAYMENTS**

Avoided Energy Cost (Payment by Company):

For all energy delivered into the Company's electric system in accordance with the provisions of this rate schedule, the Company will pay Customer its estimated avoided energy costs as described in Louisiana Public Service Commission Order No. U-14964, Section 202, (b), (1), dated November 24, 1982. As required by that Order, the Company will update and refile its estimated avoided energy costs not less often than every two years, in its PURPA 210 filing, and those estimated costs shall become the basis of the payment by Company to Customer for the applicable time period.

At the request of the SQF, a time of day meter may be installed on site, in which instance the Company will purchase energy based upon applicable on-peak and off-peak avoided costs. The SQF shall be required to pay all costs directly associated with time of day metering including installation costs.

If a time of day meter is not installed, the Company shall pay the SQF the average avoided cost for energy purchased.

**Customer Charge (Payment by Customer)**

The Customer will pay Company a monthly customer charge to defray Company's customer accounting and other administrative and general expenses incurred in servicing the Customer. The monthly Customer charge is \$9.82.

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Should the Company incur operating and maintenance expenses associated with the special interconnection facilities required to deliver SQF energy to the Company, such special expenses shall also be billed Customer.

**V. PAYMENT**

The Net Monthly Payment is due and payable each month. If not paid within twenty days from the date of billing, the Net Monthly Payment due either Customer or Company shall be increased by 2%. The Company reserves the right to credit purchase of power under this schedule against any other debt due and payable to the Company by the Customer.

**VI. CONTRACT PERIOD**

The contract shall be for a minimum period of three years and, at Company's option, may be longer to justify the investment in facilities. Service hereunder is subject to the orders of regulatory bodies having jurisdiction and either the Company or the Customer may request lawful change in the rate schedule in accordance with such jurisdiction.

**VII. OTHER PROVISIONS**

**1. LIABILITY**

Customer agrees to fully indemnify and hold Company, its shareholders, directors, officers, agents, representatives, employees, servants and/or assigns, harmless from and against any and all claims, demands, liability, losses, damage, costs or expenses (including attorneys' fees and other costs of defense), of any nature or kind whatsoever, including, but not limited to, claims, demands and/or liability for personal injury to (including death of) any person whomsoever (including payments and awards made to Customer's employees or others under any workers' compensation law or under any plan for employees' disability and death benefits) and for damage to any property whatsoever (including Customer's generation system and Company's system) arising out of or otherwise resulting from or related to Customer's use, ownership, maintenance, or operation of Customer's facilities or Customer's use of the interconnection facilities, regardless of whether such claims, demands or liability are alleged to have been caused by negligence or to have arisen out of Company's status as the owner or operator of facilities involved; provided, however, that the provisions hereof shall not apply if any such personal injury or property damage is held to have been caused by the sole negligence of Company.

**2. SPECIAL METERING**

Company will require Customer to pay the cost of any special metering facilities that may be required in order for Company to receive electricity generated by the SQF.

3. PROTECTIVE DEVICES

Unless other provisions are made for complete shutdown of Customer's electrical and mechanical power production equipment and for disconnection and/or isolation from other sources of power supply during period when service is being taken from Company, Customer will install and maintain at its own expense:

- A. Protective devices necessary for the protection of Customer's personnel and equipment;
- B. Protective devices, which in Company's sole judgment, are necessary for the protection of Company's personnel, equipment, and service.

These protective devices shall include, but shall not be limited to, the following functions:

- A. To automatically and immediately disconnect Customer's facilities from Company's facilities when service from Company is interrupted;
- B. To prevent interconnection with Company's system when Company's supply line is de-energized;
- C. To protect equipment and personnel during synchronization and interconnection with Company's system;
- D. To isolate and protect Customer's equipment when its generating equipment is not running.