

ENERGY GULF STATES, INC.
 ELECTRIC SERVICE
 Louisiana
 SCHEDULE LQF-PO

Section No.: III
 Section Title: Rate Schedules
 Revision: 2 effective 8-23-06
 Supersedes: LQF-PO Revision 1 effective 9-28-05
 Schedule Consists of: Two Pages

**RATE FOR PURCHASES FROM POST-PURPA
 QUALIFYING FACILITIES LARGER THAN 100 KW**

I. APPLICABILITY

This rate is applicable to the purchase of energy from Sellers owning or operating qualifying facilities (QFs), construction of which was commenced on or after November 9, 1978, with a design capacity larger than 100 KW who contract 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 Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978. This rate is applicable only in those cases where negotiations did not result in Seller agreeing to a lower rate.

II. INTERCONNECTION COSTS

Each Seller shall be obligated to pay all interconnection costs directly related to the installation of the physical facilities necessary to permit interconnected operations with a QF as detailed in the Contract.

III. MONTHLY BILL

A. Monthly Energy Payments by Company to QF

Full avoided costs will be determined by utilizing a methodology which produces an hourly weighted avoided cost of EGSI's generation and purchased power as follows:

- (1) Case I - costs simulating no purchases from QFs;
- (2) Case II - costs simulating purchases from QFs (This case would match actual generation and purchases as closely as possible.);
- (3) The difference between costs produced by 1 and 2 above is the full avoided cost. Division by the QFs' total generation produces full avoided costs in terms of \$/kWh.

Seller shall have, on reasonable notice, the right of access during normal working hours to all log books, metering records and any documents which EGSI is required to compile and report to regulatory authorities to establish recovery for fuel or purchased power cost.

In no case shall the Company make payments that are greater than the amount the Company is allowed to recover from its ratepayers for the energy purchased from Seller through the operation of the fuel adjustment in its tariffs and/or under the rules and orders of the appropriate regulatory authorities which have jurisdiction and which rules or order pertain to the recovery of fuel and purchase power costs.

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B. Monthly Charges Payable

(1) Customer Charge

Each QF who sells energy to the Company will pay a monthly Customer charge to recover Company's billing, metering, administrative and other similar expenses necessary to maintain service to the QF.

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<u>Delivery Voltage</u>	<u>Monthly Charge</u>
Distribution	\$20.00
Transmission (69 kV and greater)	\$1,200.00

If QF also purchases power at point of sale under one of Company's standard rate schedules (excluding Standby or Maintenance Service), the above Customer charge will be waived.

(2) Administrative and Operational Charges

Each QF will pay administrative and operational charges in accordance with LPSC Order dated April 30, 1986. These charges represent costs including, but not limited to, special legal, regulatory, computer and other administrative costs which are specific to Sellers, plus additional cost including, but not limited to, increased frequency of backing down generation, bringing up generation, shutdown costs, startup costs, additional variable operations and maintenance costs, line losses, additional dispatching costs, unit storage costs and other similar costs.

(3) Facilities Charge

When the Company by agreement furnishes and maintains the substation and related facilities at the point of delivery serving the QF, or when the Seller requests and Company agrees to install facilities other than those paid for in § II, the Seller will pay to the Company a net monthly charge as outlined below, based on the investment by Company in such facilities. The net monthly facilities charge for all facilities provided and maintained by the Company and included in contracts will be billed in accordance with Schedule AFC. For facilities paid for by the Customer and maintained by Company as detailed in the Contract, the net monthly facilities charge rate shall be 0.5% per month of the cost of such facilities.

IV. BILLING

The Company shall send a statement and payment (if applicable) to the Seller on or before the 30th day after the Seller's meter is read. The statement shall include the kilowatt-hours delivered to the Company during the previous monthly billing period, the amount of the per unit energy payments for the month, and the applicable charges. The payment for service furnished or received shall be due within 20 (twenty) days of the invoice date.