

ENERGY GULF STATES, INC.
ELECTRIC SERVICE
Louisiana

SCHEDULE SMQ

Section No.: III
Section Title: Rate Schedules
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Schedule Consists of: Six Pages

**STANDBY AND/OR MAINTENANCE SERVICE
FOR QUALIFYING FACILITIES LARGER THAN 100 KW**

I. APPLICABILITY

This schedule is applicable to Qualifying Facilities (QFs) larger than 100 kW who contract for standby and/or maintenance service from the Company. The Company is not obligated to provide Standby Service Power in excess of a QFs Reserve Standby Power and in no event more than 100 MW to each QF. 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 Section 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

II. MODIFICATION OF REGULAR RATE SCHEDULE

Service taken under this schedule may be in addition to service provided by Company under other rate schedules. The other rate schedule in such case, if applicable, will be modified by the addition of § III and IV of this Schedule. In consideration of these modifications, the first sentence of the "Use of Service" Section of the other rate schedule is eliminated.

III. DETERMINATION OF BILLING DEMAND AND ENERGY QUANTITIES

A. Standby Service

1. The Reserved Standby Power in a month shall be equal to the greater of: (a) the amount contracted for in kW for a consecutive 12-month period or (b) the maximum 30-minute standby service demand during the 12-month period ending with the prior month. In the event that the maximum 30-minute standby service demand during the month exceeds the existing Reserved Standby Power, that standby service demand shall constitute the Reserved Standby Power for the ensuing 12 months unless subsequently exceeded. The QF must demonstrate if Company requests, that standby power was taken as the result of an unscheduled outage of a QF.
2. The Monthly Standby Service Billing Demand shall be equal to the sum of the Daily Standby Service Demands. The Daily Standby Service Demand shall be equal to:
 - a. the maximum metered demand registered in each calendar day during which the unscheduled outage occurs, less
 - b. the greater of (1) the current month's billing demand for firm or interruptible power or (2) the maximum metered 30-minute demand for firm and interruptible power measured during the period of the month when service other than standby and/or maintenance service is taken, less

- c. the amount of Reserved Standby Power. The amount of Reserved Standby Power for each of the first three or fewer consecutive calendar days of the unscheduled outage is its full amount. For the fourth and subsequent consecutive calendar days of the outage, the Reserved Standby Power shall be defined as zero. Should the Daily Standby Service Demand derived by applying the above formula be negative, that negative value should be taken to be zero for purposes of determining the Monthly Service Billing Demand. Should an unscheduled outage extend into a subsequent billing month, the application of this paragraph to that month should take into account the number of consecutive days in the prior month in which that outage occurred. This § A.2.c is further limited by the provisions of § A.2.e, less
 - d. the Scheduled Maintenance Billing Demand for Scheduled Maintenance Service taken simultaneously with the unscheduled outage,
 - e. in applying § III.A.2.c an unscheduled outage that commences within 8 hours of the preceding outage shall not constitute a distinct outage, but rather a continuation of the prior outage.
3. For QFs who have contracted for firm or for firm and interruptible power under other rate schedules, any Daily Standby Service Demand in excess of the Reserved Standby Power shall have no effect on the determination of subsequent levels of firm and interruptible power ratcheted demand.
 4. The QF is required to notify the Company of the time periods when standby service is being taken. This notification must be made within 24 hours of the beginning and end of usage to avoid increasing the customer's Contract Power for firm or for firm and interruptible load.
 5. Regardless of whether a QF has contracted for firm or for firm and interruptible power under other rate schedules, the energy associated with the taking of standby service shall not be distinguished from any other energy taken and shall be billed at the energy charge rate in accordance with the terms set forth in § IV.B.

B. **Unscheduled Maintenance Service**

Unscheduled Maintenance Service is provided on an as available basis, only during such times and at such locations that, in Company's sole opinion, will not result in affecting adversely or jeopardizing firm service to other Customers, prior commitments for Scheduled Maintenance Service to other Customers, or commitments to other utilities. For those QFs that have Reserved Standby Power pursuant to § III.A.1, Unscheduled Maintenance Service shall be billed under the provisions of Standby Service as if the Unscheduled Maintenance is an unscheduled outage. The QF must demonstrate, if requested to do so by Company, that maintenance was performed on qualifying facilities for the period in which the unscheduled maintenance service was taken.

1. The Monthly Unscheduled Maintenance Billing Demand charge shall be equal to the sum of the Daily Unscheduled Maintenance Demands. The Daily Unscheduled Maintenance Demand shall be equal to:
 - a. the maximum metered demand registered in each calendar day during, which the unscheduled maintenance occurs, less

- b. the greater of (1) the current month's billing demand for firm and interruptible power or (2) the maximum metered 30-minute demand for firm and interruptible power measured during the period of the month when service other than standby and/or maintenance service is taken, less
 - c. the Scheduled Maintenance Billing Demand for Scheduled Maintenance Service taken simultaneously with Unscheduled Maintenance Service.
2. Those QFs who have not contracted for Reserved Standby Power and who purchase Unscheduled Maintenance Service under § III.B shall thereby become subject to the terms of § III.A.1.
 3. For QFs who have contracted for firm or for firm and interruptible power under other rate schedules, any Daily Unscheduled Maintenance Service Demand shall have no effect on the determination of subsequent levels of firm or interruptible power ratcheted demand.
 4. The QF is required to notify the Company of the time periods when unscheduled maintenance service is being taken. This notification must be made within 24 hours of the beginning and end of usage to avoid increasing the customer's Contract Power for firm or for firm and interruptible load.
 5. Regardless of whether a QF has contracted for firm or for firm and interruptible power under other rate schedules, the energy associated with the taking of unscheduled maintenance service shall not be distinguished from any other energy taken and shall be billed at the energy charge rate in accordance with the terms set forth in § IV.B.
- C. Scheduled Maintenance Service

Scheduled Maintenance Service will be scheduled on not less than 24-hour prior notice by the QF and such service shall be scheduled only during such times and at such locations that, in Company's sole opinion, will not result in affecting adversely or jeopardizing firm service to other Customers, prior commitments for Scheduled Maintenance Service to other Customers, or commitments to other utilities. Arrangements and scheduling of Scheduled Maintenance Service will be agreed in writing in advance of use or confirmed in writing if arranged verbally. Where there are applications from more than one Customer, or service applied for is more than Company has available, Company will allocate and schedule available service, in its final judgment, and curtail or cancel application. Where Scheduled Maintenance Service stands requested, agreed and scheduled, but not taken, Customer will be obligated to pay for such service as if taken, provided that: (a) the Company has refused to supply, some other Customer similar service in order to limit total Scheduled Maintenance Service to that which Company considers available or, (b) if in anticipation of providing such Scheduled Maintenance Service Company has incurred costs that would not otherwise have been incurred. The Company shall undertake all reasonable efforts in order to avoid or mitigate the loss of revenue incurred, and shall provide an explanation to a QF so charged upon request. Scheduled Maintenance Service will be scheduled for a continuous period of not less than one day. The QF must demonstrate if Company requests, that Scheduled Maintenance Service was not taken as the result of an unscheduled outage of a QF.

1. The Scheduled Maintenance Billing Demand shall be the product of the requested scheduled maintenance service demand and the number of days in the maintenance period. The Company is not obligated to furnish scheduled maintenance service power in excess of that which is scheduled.
2. The Monthly Excess Scheduled Maintenance Service Billing Demand shall be equal to the sum of the Daily Excess Scheduled Maintenance Service Demands. The Daily Excess Scheduled Maintenance Service Demand shall be equal to:
 - a. the maximum metered demand registered in each calendar day during which the scheduled outage occurs, less
 - b. the greater of (1) the current month's billing demand for firm or interruptible power or (2) the maximum metered 30-minute demand for firm or interruptible power measured during the period of the month when service other than standby and/or maintenance service is taken, less
 - c. the amount of Scheduled Maintenance Service Demand for those days for which the demand was scheduled.

In the case of multiple units where QF has contracted for Standby Service, any excess shall be determined in accordance with the terms and conditions of § III.A including § III.A.4.

3. For QFs who also contract for firm or for firm and interruptible power, scheduled maintenance service in excess of the requested scheduled maintenance service demand shall have no effect on the determination of subsequent levels of firm or interruptible ratcheted demand.
4. Any outage which occurs less than eight hours after the preceding Scheduled Maintenance Service outage shall be considered as a continuation of the preceding Scheduled Maintenance Service outage for purposes of quantifying the Monthly Excess Scheduled Maintenance Service Billing Demand per § III.C.2.
5. Regardless of whether a QF has contracted for firm or for firm and interruptible power under other rate schedules the energy associated with the taking of Scheduled Maintenance service shall not be distinguished from any other energy taken and shall be billed at the energy charge rate in accordance with the terms set forth in § IV.B.

IV. NET MONTHLY CHARGES

A.

1. The demand charge for Standby Service shall be the sum of (a) and (b) below:
 - a. The monthly Reserved Standby Power demand charge shall be the product of \$0.95 per kW and the monthly Reserved Standby Power Billing Demand as determined in § III.A.1 and in accordance with § III.A.2.

- b. The monthly standby service demand charge shall be the product of the daily proration of the applicable monthly Billing Load rate per kW set forth in the High Load Factor Service (HLFS) Rate Schedule, the monthly Standby Service Demand as determined in § III.A.2 and the number 1.75.
- 2. The demand charge for Scheduled Maintenance Service shall be the sum of (a) and (b) below:
 - a. The monthly scheduled maintenance service demand charge shall be the product of the daily proration of the applicable monthly Billing Load rate per kW set forth in the HLFS rate, the monthly Scheduled Maintenance Billing Demand as determined in § III.C.1 and the HLFS off-peak provision number 0.667.
 - b. The excess scheduled maintenance service charge shall be the product of the daily proration of the applicable monthly Billing Load rate per kW set forth in the HLFS rate, the monthly Excess Scheduled Maintenance Billing Demand as determined in § III.C.2 and the number 1.75.
 - 3. The demand charge for Unscheduled Maintenance Service shall be:

The product of the monthly Unscheduled Maintenance Service Billing Demand as determined in § III.B.1, the daily proration of the applicable monthly Billing Load rate per kW set forth in the HLFS rate schedule, and the number 1.75. The off-peak provision shall not be applicable in the determination of Unscheduled Maintenance Service Billing Demand.

B. Energy Charge (All Services)

- 1. The energy charge for each kWh as determined in § III.A.5, B.5 and C.5 shall be the energy rate plus the fuel adjustment charge plus other applicable adjustments based on either:
 - a. The energy charge rate plus adjustments as contained in the tariff under which the QF is taking firm or interruptible service, or
 - b. If the QF is not taking firm or interruptible service from Company, the energy charge rate plus adjustments as contained in the HLFS tariff.

V. CONDITIONS OF SERVICE

- A. The QF and Company will agree on operating procedures, and control and protective devices which will limit the taking of power from Company's system to amounts which will not adversely affect service to Company's other Customers. When QF's generating equipment is operated in parallel with Company's, suitable relays, control and protective apparatus will be furnished and maintained by the QF in accordance with specifications agreed to by Company, and subject to inspection by Company's authorized representatives at all reasonable times.
- B. The term of service under § III.A shall be such as may be agreed upon but not less than one year.

- C. Where a QF's power factor of total service supplied by Company is such that 90% of measured monthly maximum kVA used during any 30-minute interval exceeds corresponding measured kW, Company will use 90% of such measured maximum kVA as the number of kW for all purposes that measured maximum kW demand is specified herein. However, where a QF's power factor is regularly 0.9 or higher, Company may at its option omit kVA metering equipment or remove same if previously installed.
- D. Schedule SMQ will normally be billed on a monthly basis or such other period as determined by Company. However, where use of service includes recurring switching of load to Company's system, normally supplied from a QF's generating facilities, for intervals shorter than so stipulated above, Company may determine Billing Load by metering having shorter intervals.

VI. GROSS MONTHLY BILL AND PAYMENT

The gross monthly bill for service furnished for which payment is not made within twenty days of the billing date shall be the Net Monthly Bill, including all adjustments under the rate schedule and applicable riders, plus 5% of the first \$50.00 and 2% of any additional amount of such gross monthly bill above \$50.00. If the monthly bill is paid prior to such dates, the Net Monthly Bill, including all adjustments under the rate schedule and applicable riders, shall apply.