

AGREEMENT FOR ELECTRIC SERVICE  
FOR QUALIFYING CO-GENERATION OR  
SMALL POWER PRODUCTION FACILITIES  
WITH NET BILLING

This Agreement, made as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between  
Mid-Ohio Energy Cooperative \_\_\_\_\_ (hereinafter called “the Power Company”) and  
\_\_\_\_\_ (hereinafter called the “Consumer”),  
whose mailing address is \_\_\_\_\_, for electric service at  
\_\_\_\_\_ situated generally at the intersection of \_\_\_\_\_  
and \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_ County, Ohio (hereinafter  
called the “Premises”);

**WITNESSETH:**

WHEREAS, the Power Company is a not-for-profit corporation organized under the laws  
of the State of Ohio engaged in the business of selling electric power and energy with its  
principal place of business in Hardin \_\_\_\_\_ County, Ohio; and

WHEREAS, the Consumer is [a \_\_\_\_\_ organized under the laws of  
the State of \_\_\_\_\_ doing business in the State of Ohio, which] or [an  
individual who] owns and operates all land and facilities located on the Premises; and

WHEREAS, the Consumer has or will install on the Premises certain consumer-owned  
electric generating facilities up to [25] [OR] [100] kW in the aggregate, which electric generating  
facilities (the “Electric Generating Facility”) are more particularly described in Exhibit E to the  
Agreement for Interconnection and Parallel Operation of a Qualifying Cogeneration or Small  
Power Production Facility up to [25] [OR] [100] kW of even date herewith by and between the  
Power Company and the Consumer (the “Agreement for Interconnection and Parallel  
Operation”); and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or  
small power production facility under the Public Utility Regulatory Policies Act of 1978, as  
amended, and all governmental regulations lawfully promulgated thereunder (“PURPA”); and

WHEREAS, the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises, as described herein; and

WHEREAS, the Consumer desires to interconnect the Electric Generating Facility to the Power Company's electric distribution system and to use the output of the Electric Generating Facility to first meet the requirements of the Consumer's electric consuming facilities located on the Premises and then sell to Buckeye Power, Inc. any such output in excess of the requirements of the Consumer's electric consuming facilities and receive a credit on a dollar for dollar basis against the Consumer's monthly bill for electric service under the Net Billing arrangements described in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Power Company's Net Billing Rate Schedule, which is attached hereto; and

WHEREAS, the Power Company desires to sell, and the Consumer desires to purchase, electric power and energy to meet the requirements of Consumer's electric consuming facilities not served by the Electric Generating Facility under the terms and conditions hereinafter set forth; and

WHEREAS, a single meter or pair of meters has been or will be installed at the Premises, which meter or meters is/are capable of registering the flow of electricity in each direction from Power Company's electric distribution system to Consumer's electric consuming facilities on the Premises, and from Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection ("Net Billing");

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Power Company shall sell and deliver to the Consumer, and the Consumer shall purchase and receive, all of the electric power and energy which the Consumer may need at the Premises up to \_\_\_\_\_ kW, except for any such electric demand and energy which is served by Consumer's Electric Generating Facility.

2. Service hereunder shall be alternating current, \_\_\_\_\_ phase, 60 \_\_\_\_\_ cycles, \_\_\_\_\_ volts.

3. The Consumer shall pay the Power Company for service hereunder at the rate and upon the terms and conditions set forth in the Power Company's Net Billing Rate Schedule,

which is attached hereto and a made a part of this Agreement as if fully restated herein. The Power Company's Net Billing Rate Schedule will be superseded by any new or amended Net Billing Rate Schedule or any successor rate schedule as approved from time to time by the Board of Trustees of the Power Company. Payment for the service provided hereunder shall be made at the office of the Power Company located in Hardin County, Ohio, or at such other place as the Power Company shall hereafter designate in writing.

4. If the Consumer shall fail to make any such payment within fifteen (15) days after such payment is due, the Power Company may discontinue service to the Consumer upon giving no less than fifteen (15) days written notice to the Consumer of its intention to do so, provided however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

5. The Consumer is or shall become a member of the Power Company and be bound by such rules and regulations as may from time to time be adopted by the Power Company.

6. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the Power Company; provided, however, that Consumer may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Power Company's Net Billing Rate Schedule which is attached hereto and made a part of this Agreement as if fully restated herein. The Consumer represents and warrants to the Power Company that the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA. The Consumer represents and warrants to the Power Company that the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Consumer's electric consuming facilities located on the Premises. For purposes of this Agreement and the Agreement for Interconnection and Parallel Operation, the Electric Generating Facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises" if the Electric Generating Facility annually generates less than one hundred and twenty percent (120%) of the Consumer's annual electric energy requirements. The Consumer's "annual electric energy requirements" shall be the average amount of electricity

consumed annually by the Consumer for the electric consuming facilities located on the Premises over the previous three years, using the annual period of June 1 to May 31. If the Power Company does not have the data or cannot calculate the average amount of electricity consumed annually over the previous three years, such as in instances of new construction or vacant properties, the Power Company shall use any available consumption data to estimate the annual electricity consumption for the Consumer's electric consuming facilities located on the Premises and provide the estimation data to the Consumer. If the Electric Generating Facility annually generates one hundred and twenty percent (120%) or more of the Consumer's annual electric energy requirements, determined as set forth above, the Electric Generating Facility's output will be presumed to be "reasonably anticipated to exceed the annual electric energy requirements of the Consumer's electric consuming facilities located on the Premises," and the Power Company may, in its sole discretion, elect to cease providing electric service to the Consumer pursuant to the Power Company's Net Billing Rate Schedule and, instead, elect to provide electric service to the Consumer at the rate and upon the terms and conditions set forth in the Power Company's Back-Up and Supplementary Electric Service Rate Schedule, and require the Consumer to (a) sell the output of the Electric Generating Facility to Buckeye Power, Inc. ("Buckeye") on an hourly basis at Buckeye's purchase rate, as determined by Buckeye in its sole discretion, (b) reimburse the Power Company for the cost of the installation of hourly metering facilities (currently estimated to cost up to \$ 1500 ), (c) reimburse Buckeye for the cost of its telemetering facilities (currently estimated to cost up to \$10,000), (d) pay Buckeye a monthly billing and service fee (currently \$100 per month), and (e) terminate this Agreement and the Agreement for Interconnection and Parallel Operation, and enter into a Power Purchase Agreement with Buckeye, an Agreement for Electric Service for Back-Up and Supplementary Electric Service with the Power Company, and an Agreement for Interconnection and Parallel Operation with the Power Company, to contemplate the elimination of net billing and the purchase of the Electric Generating Facility output by Buckeye on an hourly basis at Buckeye's purchase rate.

7. The Consumer shall use the output of the Electric Generating Facility first to meet the requirements of Consumer's electric consuming facilities located on the Premises. The Power Company shall use an hourly kWh net billing period to measure the Consumer's net production. The net production output shall be measured by

determining during each such period the production in kilowatt-hours (kWh) of the Electric Generating Facility in excess of the requirements of the Consumer's electric consumer facilities. Any such output of the Electric Generating Facility in excess of the requirements of Consumer's electric consuming facilities shall be sold to Buckeye Power, Inc. The Power Company shall bill the net electric usage pursuant to the Power Company's applicable Net Billing Rate Schedule, and credit the net electric output at Buckeye's purchase rate, on a dollar for dollar basis. In the event that the Consumer generates net positive kWh output during any such kWh netting period, (a) the Power Company will inform Buckeye Power, Inc. of the existence of such excess net kWh output; (b) Buckeye Power, Inc. will purchase such excess net kWh output at Buckeye Power, Inc.'s purchase rate, as determined by Buckeye Power, Inc. in its sole discretion, and credit Power Company's wholesale power bill for such dollar amount on a monthly basis; (c) the Power Company's load shall not be reduced by the amount of such excess net kWh output purchased by Buckeye Power, Inc. on a monthly basis, and the Power Company's load may need to be increased for Buckeye Power, Inc. wholesale power billing purposes by the amount of such excess net kWh output purchased by Buckeye Power, Inc., if the Consumer's qualifying facility is located behind the meter used by Buckeye Power, Inc. to determine the Power Company's wholesale load; (d) the Power Company shall credit Consumer's monthly power bill with the dollar amount of the billing credits paid by Buckeye Power, Inc. to the Power Company; and (e) in the event that at the end of the annual period ending May 31 of each year the aggregate dollar amount of the billing credits for such year exceeds the aggregate dollar amount of the Power Company's charges to the Consumer for such year, the Power Company shall issue a check to the Consumer for such excess dollar amount. The Consumer shall be entitled to all environmental attributes of the Electric Generating Facility during the term of this Agreement. The Consumer shall have the sole and exclusive right to designate the Electric Generating Facility as a renewable resource during the term of this Agreement in order to satisfy any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate.

8. Whenever the Power Company's facilities located at the Premises are relocated solely to suit the convenience of the Consumer, the Consumer shall reimburse the Power Company for the entire cost incurred in making such change.

9. (a) The Power Company will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy, but does not guarantee uninterrupted service. The Power Company shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Power Company, repairs, maintenance or any cause beyond the Power Company's control; provided, however, that in no event shall the Power Company be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Power Company; provided, further, however, that in no event shall the Power Company be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Consumer is delayed; and provided further that the failure of the Consumer to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Consumer of its obligation to make payments to the Power Company as provided herein.

(b) The point at which service is delivered by the Power Company to the Consumer, and at which the output of Consumer's Electric Generating Facility is transferred to the Power Company, to be known as the "point of interconnection", shall be the point at which the Consumer's electric consuming facilities located on the Premises are connected to the Power Company's electric distribution system, and the point at which Consumer's Electric Generating Facility is connected to the Power Company's electric distribution system. The Power Company shall not be liable for any loss, injury or damage resulting from the Consumer's use of its facilities or equipment or occasioned by the power and energy furnished by the Power Company beyond the point of interconnection.

(c) The Consumer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Power Company shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Power Company will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper measurement of and rendition of its service, and for the proper measurement of the output of Consumer's Electric Generating Facility. All such apparatus shall be owned and maintained by the Power Company. A single meter or pair of meters will be installed which shall be capable of registering the flow of electricity in each direction from the Power Company's electric distribution system to Consumer's electric consuming facilities located on the Premises, and from the Consumer's Electric Generating Facility to Power Company's electric distribution system, at the point of interconnection.

10. In the event of loss or injury to the property of the Power Company through misuse by, or the negligence of, the Consumer or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Power Company by the Consumer.

Consumer will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Power Company installed at the Premises. The Consumer hereby agrees that no one except the employees of or persons duly authorized by the Power Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Power Company. The Consumer shall provide the Power Company reasonable access at all times to the Power Company's meters and other facilities of the Power Company located on the Premises.

10.1 (a) Consumer shall obtain and maintain the following policies of insurance during the term of the Agreement: Comprehensive or Commercial General Liability insurance with bodily injury and property damage combined single limits of at least \$250,000 per occurrence if the Electric Generating Facility is 10 kW or less, \$1,000,000 per occurrence if the Electric Generating Facility is greater than 10 kW but less than 100 kW, and \$5,000,000 per occurrence if the Electric Generating Facility is 100 kW or greater, covering the Consumer's obligations and liabilities to the Power Company under this Agreement, including under Article 8.

(b) Consumer shall cause its insurers or agents to provide Power Company with certificates of insurance evidencing the policies listed above prior to interconnecting the Electric Generating Facility with the Power Company Distribution System, as well as copies of each annual renewal certificate for such policies, promptly after such renewal certificates are issued. Power Company shall have the right to review the policies listed above at any time during the term of this Agreement, and Consumer shall promptly provide copies of the same to Power

Company upon its request. Failure of Power Company to obtain certificates of insurance does not relieve Consumer of the insurance requirements set forth herein. Failure to obtain the insurance coverage required by this Article 9 shall in no way relieve or limit Consumer's obligations and liabilities under other provisions of this Agreement.

10.2 If Consumer is a residential customer of the Power Company, the following provisions shall apply

(a) The insurance coverage requirements of section 10.1(a) above may be satisfied by obtaining and maintaining a Homeowner's Liability insurance policy, or if Homeowner's Liability insurance is not available, Comprehensive or Commercial General Liability insurance, Excess or Umbrella Liability insurance, or any other type of insurance policy that the Power Company deems acceptable, covering the residential Consumer's liabilities and obligations under this Agreement, with bodily injury and property damage combined single limits as set forth in Section 10.1(a); and

(b) The amounts of insurance required in Section 10.1(a) may be satisfied by the residential Consumer purchasing primary coverage in the amounts specified or by buying a separate excess Umbrella Liability policy together with lower limit primary underlying coverage. The structure of the coverage is the residential Consumer's option, so long as the total amount of insurance meets Power Company's requirements.

11. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder, and the demand and amount of electric power and energy produced by Consumer's Electric Generating Facility, shall be tested and calibrated, if required, by the Power Company. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Consumer shall have the right to request that a special meter test be made at any time. In the event a test made at the Consumer's request discloses that the meter tested is registering correctly, or within one percent (1%) above or below 100.0% accuracy at full load, Consumer shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every requested test shall be furnished to the Consumer. Any meter



tested and found to be not more than one percent (1%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of one percent (1%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a longer period than that during which it may be determined by mutual agreement of the parties involved that the inaccuracy existed. The Power Company will bear the cost of the meter test if any meter is found to register in excess of one percent (1%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating.

The Power Company shall notify the Consumer in advance of the time of any meter test so that a representative of the Consumer may be present.

12. Duly authorized representatives of the Power Company shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

13. This Agreement shall become effective as of the date first above written and shall remain in effect until terminated by either party giving to the other party not less than ninety (90) days prior notice in writing of its intention to terminate.

14. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Consumer without the prior written consent of the Power Company, any such assignment by the Consumer being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of laws provisions.

16. All present or future federal, state, municipal or other lawful taxes payable by reason of the sale or purchase or Net Billing of the output of the Electric Generating Facility, the

production of electrical output from the Electric Generating Facility, or the ownership of the Electric Generating Facility, under this Agreement shall be paid by Consumer. Without limiting the generality of the foregoing, the Consumer shall be solely responsible for: any Ohio kilowatt-hour taxes associated with the production of electricity from the Electric Generating Facility; any Ohio public utility property taxes associated with the Consumer's ownership of the Electric Generating Facility; and any state or federal income taxes associated with the Consumer's receipt of payments or Net Billing by the Power Company or Buckeye under this Agreement. Consumer acknowledges that neither the Power Company nor Buckeye has represented to the Consumer that the Consumer will not be subject to any such kilowatt-hour taxes, public utility property taxes, or state or federal income taxes as a result of the Net Billing arrangements described in this Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Member Signature:

Name: (Print)

\_\_\_\_\_

Date:

\_\_\_\_\_

Cooperative Representative Signature:

Name: (Print)

\_\_\_\_\_

Date:

\_\_\_\_\_

\_\_\_\_\_