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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION ) CASE NO. IPC-E-03-*016*  
OF IDAHO POWER COMPANY FOR )  
APPROVAL OF THE PURCHASE OF ) APPLICATION FOR APPROVAL  
NON-FIRM ENERGY BETWEEN IDAHO ) OF A UNIFORM AGREEMENT  
POWER COMPANY AND PRISTINE ) UNDER SCHEDULE 86  
SPRINGS INC. ) BETWEEN IDAHO POWER  
 ) COMPANY AND  
 ) PRISTINE SPRINGS INC.

COMES NOW Idaho Power Company ("Idaho Power" or the "Company") and hereby applies for an Idaho Public Utilities Commission ("IPUC" or the "Commission") Order approving a Uniform Agreement under Schedule 86 between Idaho Power and Pristine Springs Inc ("Pristine Springs") for the purchase of non-firm energy from Qualifying Facilities dated March 28, 2003 ("Agreement"). This Application is based upon the following:

1. Pristine Springs intends to develop a 200 kW hydroelectric driven synchronous generator facility located on Warm Creek, north of Twin Falls, Idaho, on the

Pristine Springs property ("the Project"). The Project will be a qualified small power production facility under the applicable provisions of the Public Utilities Regulatory Policy Act of 1978 ("PURPA").

2. Idaho Power and Pristine Springs have entered into the Agreement pursuant to Idaho Power Company's IPUC-approved Schedule 86, Cogeneration and Small Power Production Non-Firm Energy. The purchase price will be in accordance with Schedule 86. A copy of the Agreement is attached hereto as Exhibit "1".

3. The Project intends to begin operations May 1, 2003. Idaho Power is currently working with Pristine Springs to complete the necessary documentation and construction of interconnection equipment in accordance with the terms of the Agreement. As of the date of this Application, Pristine Springs appears to be on schedule to energize the facility on or about the May 1, 2003 online date.

4. The Agreement, as signed and submitted by the parties, contains non-firm energy rates in conformity with posted tariffs and applicable Commission orders.

5. Section 8 of the Agreement provides that "This Agreement shall not become effective until the Commission approves all terms and provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes."

6. Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Monica Moen  
Attorney II  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
MMoen@idahopower.com

Randy C. Allphin  
Contract Administrator  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
RAllphin@idahopower.com

NOW, THEREFORE, based on the foregoing, Idaho Power hereby requests  
the Commission its order:

(1) Approving all terms and provisions of the Uniform Agreement  
for the purchase of non-firm energy from Qualifying Facilities between Idaho Power  
Company and Pristine Springs Inc. without change or condition; and

(2) Declaring that all payments to be made pursuant to the Uniform  
Agreement for the purchase of non-firm energy from Qualifying Facilities between Idaho  
Power Company and Pristine Springs Inc. shall be allowed as prudently incurred expenses  
for ratemaking purposes.

DATED at Boise, Idaho, this 17th day of April 2003.



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MONICA B. MOEN  
Attorney for Idaho Power Company

**IDAHO POWER COMPANY  
SCHEDULE 86  
UNIFORM AGREEMENT**

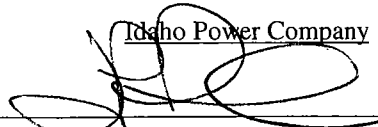
For the Purchase of Non-Firm Energy From Qualifying Facilities

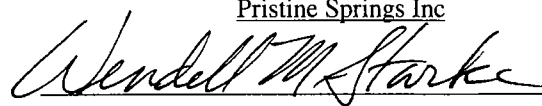
Project Name: Pristine Springs Hydro #3  
Idaho Power Project Number: 31415165

THIS AGREEMENT made this 28<sup>th</sup> day of March, 2003, between PRISTINE SPRINGS INC whose mailing address is 274 Kay Drive, Twin Falls, ID 83301 hereinafter called Seller and IDAHO POWER COMPANY, a corporation with its principal office located at 1221 West Idaho Street, Boise, Idaho hereafter called "Company".

NOW, THEREFORE, The parties agree as follows:

1. Company shall purchase Energy produced by the Seller's Qualifying Facility located at or near Warm Creek, North of Twin Falls, County of Jerome State of Idaho, located in the Nw ¼ of Section 19 Township 9S, Range 17E, BM, in the form of three phase 60 Hz and at a nominal phase to phase potential of 12,470 volts, subject to emergency operating conditions of the Company. Purchases under this Agreement are subject to the Company's applicable Tariff provisions, including but not limited to Schedules 86 and 72 approved by and as may be hereafter modified by the Idaho Public Utilities Commission ("Commission") and the provisions of this Agreement.
2. Seller shall pay Company for all costs of Interconnection Facilities as provided for in Exhibit A of this Agreement and Schedule 72.
3. In addition to the charges provided under Paragraph 2, Seller shall pay to the Company the monthly Operations and Maintenance Charge specified in Schedule 72 on the Investment by the Company in Interconnection Facilities which investment is set forth in Exhibit A, attached hereto and made a part hereof. As such investment changes, in order to provide facilities to serve Seller's requirements, Company shall notify Seller in writing of additions or deletions of facilities by forwarding a dated revised Exhibit A, which shall become part of this Agreement. The monthly Operation & Maintenance Charge will be adjusted to correspond to the Revised Exhibit A.
4. The initial date of acceptance of Energy under this Agreement is subject to the Company's ability to obtain required labor, materials, equipment, satisfactory rights of way, and comply with governmental regulations.
5. The term of this Agreement shall become effective on the date first above written, and shall continue to full force and effect until canceled by Seller upon sixty (60) days prior written notice.
6. This Agreement and the rates, terms, and conditions of service set forth or incorporated herein, and the respective rights and obligations of the parties hereunder, shall be subject to valid laws and to the regulatory authority and orders, rules, and regulations of the Commission and such other administrative bodies having jurisdiction.
7. Nothing herein shall be construed as limiting the Commission from changing any rates, charges, classification or service, or any rules, regulation or conditions relating to service under this Agreement, or construed as affecting the right of the Company or the Seller to unilaterally make application to the commission for any such change.
8. This Agreement shall not become effective until the Commission approves all terms and provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

By   
John Prescott – Vice President, Power Supply

By   
Print Name and Title:

Dated: March 27, 2003  
"Idaho Power"

WENDELL M. STARKE  
Dated: April 2, 2003  
"Seller"

EXHIBIT A

Project No. 31415165

Pristine Springs Hydro #3

A-1 DESCRIPTION OF FACILITY

The Seller's Facility is described as one (1) hydro driven synchronous generator with a nameplate rating of 200-kw, 2400-volt, three-phase, 60 hertz.

A-2 LOCATION OF FACILITY

The Facility is located on Warm Creek (north of Twin Falls, Idaho) in the NW 1/4 of Section 19, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho.

A-3 POINT OF DELIVERY

Energy will be delivered to Idaho Power at 12.47-kv, three-phase, 60-Hz. The Point of Delivery of energy from the Seller to Idaho Power will be at Idaho Power's pole-mounted disconnect switch (Disconnect Device) located between the Idaho Power provided primary meter and the Seller provided 15-kv rated pole-mounted recloser.

A-4 Estimated First Energy Date

Idaho Power and the Seller have agreed upon an Estimated First Energy Date as of May 1, 2003. Both Idaho Power and the Seller will have all necessary equipment in place no later than 60 days after the estimated First Energy Date to enable the Facility to deliver energy to the Idaho Power System.

A-5 Station Use

Station use will be electric energy usage as defined in Schedule 86. The demand component of the station use shall not exceed 30 Kw and the annual station usage (kwh) shall not exceed 5% of the energy delivered by this Facility to the point of delivery.

A-6 LOSSES

As the current Point of Delivery is the same point as the actual metering point, there are no kwh losses. In the event, the actual metering point is electrically located at a different point than the Point of Delivery, kwh losses will be calculated in the following manner: Losses shall be set at 2.00% of the metered energy delivered. When Seller has supplied Idaho Power with data needed to properly analyze the Losses associated with the Facility, Idaho Power and Seller will review that data and reset the loss factor for the Facility. If the Parties are unable to agree, they will submit the dispute to the Commission for resolution. Any adjustment will be retroactive to the First Energy Date.

A-7 INTERCONNECTION FACILITIES

Metering and Telemetry

Idaho Power will provide primary metering (12.47-kv) and the associated metering equipment (instrument transformers) to accurately measure the energy (kwh) delivered to Idaho Power. This metering will be separate from any metering of Seller's load. Idaho Power provided Meter Equipment will be owned and maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller.

In the event it is determined that automated telemetry is required at this location. Idaho Power will purchase and install this equipment at the Seller's expense. The Seller will provide the necessary communication lines for this automated telemeter at the Seller's expense.

Disconnection Equipment

Idaho Power will provide and maintain:

- Protection and control equipment that consists of instrument transformers, protective relaying, dedicated DC power supply, and associated controls to remotely operate the Seller provided 15-kv recloser. Idaho Power's protection and control equipment will provide automatic control of the Seller provided 15-kv recloser.
  - Protection and control equipment is required to insure that the Seller's Facility will be disconnected from Idaho Power's system in the event of a disturbance on either Idaho Power's system or the Seller's Facility. This equipment is for the protection of only Idaho Power's equipment. The Seller is responsible to provide adequate protection and control equipment to protect the Seller's equipment from any Idaho Power or Seller disturbances.

Special Facilities

Idaho Power will provide and maintain:

- 12.5 kv three-phase line extension to the metering and protection packages

- A single-phase 7200-120/240V (15-kVA) transformer connected on Idaho Power's side of the Seller owned recloser to provide power to Idaho Power's protective relaying package and to the seller's recloser closing solenoid.
- All poles and other mounting facilities required for the IPC provided equipment.

Seller Provided Equipment and Facilities

Pristine Springs Hydro #3 will provide and maintain:

- Overhead secondary voltage (2,400-volt) distribution circuit from the generator to the generation step-up transformer
- Generation step-up transformer. The transformer shall be two winding (an autotransformer is not permitted) connected grounded-wye (12,470Y/7,200 volt) on the primary side of the transformer and connected ungrounded wye (2,400Y volt) on the secondary (generator) side of the transformer.
- 15-kV recloser located on the primary side (12.47-kV) of the generation step-up transformer. The recloser shall be rated for the continuous current of the circuit and shall have a minimum 12.5-kA symmetrical interrupting rating. The recloser shall be designed for control from a microprocessor-based recloser controller (e.g. Cooper Power System Form 6, Schweitzer Engineering Laboratories, Inc. (SEL) 351R, or equal). The Idaho Power provided protective relaying package will be utilized to perform the recloser control functions. The recloser shall be provided with an auxiliary switch to provide indication of recloser contact position (one normally open contact and one normally closed contact are required) to the Idaho Power protective relaying package. The recloser shall have a 120/240VAC closing solenoid and Idaho Power will provide the 120/240VAC power from the protective relaying package.

- A single-phase 7200-120/240V transformer connected on the generator side of the recloser to provide a hot line/close block potential to the Idaho Power protective relaying package. The secondary circuit will be fused at Idaho Power's protective relaying package.
- Circuits (recloser control, auxiliary switch, and hot line/close block potential) and raceway between the recloser pole and Idaho Power's protective relaying package.
- Manual controls/indication to provide manual control and status of the seller provided circuit-interrupting device (15-kV recloser). The manual controls shall be supervised via Idaho Power's protection and control equipment.
- All poles and other mounting facilities required for the seller provided equipment.

All equipment and facilities provided by seller shall meet applicable UL, ANSI, and IEEE standards, and shall be installed to meet all applicable local, state, and federal codes.

The seller shall provide the certification required by Schedule 72 that the seller provided Interconnection Facilities are functioning in accordance with all applicable standards and codes and are in good working condition.

A-8 SYNCHRONOUS GENERATORS

If a governor is used, the governor characteristics shall be capable of adjustment to at least five percent (5%) speed droop. The initial droop setting will be five percent (5%). Idaho Power may specify changes in the setting within the five percent (5%) capability.

The Seller shall provide automatic synchronizing equipment or manual synchronizing with relay supervision. The synchronizing facilities shall have the following:

- Slip frequency matching 0.1 Hz, or less
- Voltage matching +10%, or less
- Phase angle acceptance +10 degrees, or less



- Breaker closure time compensation

Synchronous generators shall be capable of operating continuously at maximum power output within five percent (5%) of rated voltage and anywhere within a power factor range of from ninety percent (90%) lagging to ninety-five percent (95%) leading.

Unless otherwise approved by Idaho Power, synchronous generators shall be equipped with an excitation system capable of automatically controlling generator voltage over the full range of generator power and reactive capability.

The generator excitation system shall have over and under excitation limiter equipment that will permit voltage regulator action to control the reactive output within the range of the generator's capability.

The reactive capability of the Facility shall be operated as specified by Idaho Power, within the generator reactive capability, to regulate either the interconnection voltage or Facility output power factor or both. Idaho Power will provide the desired voltage, power factor, and schedules required by the Seller to set voltage regulators, power factor regulators and programmed or remote signal controllers. Idaho Power may change these desired values from time to time as system requirements change.

If the Facility is not operated to control reactive output in the manner specified and after notification, the Seller does not make necessary corrections within a reasonable time, a default will be declared.

A-9 REACTIVE POWER

The excitation system controls shall be set for power factor regulation. The Seller shall operate the synchronous generator within plus or minus 5% of unity power factor.

A-10 COSTS

The estimated cost of the Idaho Power provided Interconnection equipment, Special Facilities and Metering Equipment is \$45,000, which has been received from the Seller. As specified in Schedule 72 INTERCONNECTIONS TO NON-UTILITY GENERATION or its successor schedule(s), Idaho Power will reconcile the actual expenses against the estimated cost and a copy of this reconciliation will be provided to the Seller. Idaho Power will refund any overpayment or Seller will remit any underpayment.

In addition to the installation and construction charges above, during the term of this Agreement, Seller will pay Idaho Power the operation and maintenance charge specified in Schedule 72 INTERCONNECTIONS TO NON-

UTILITY GENERATION or its successor schedule(s).

This monthly charge will begin as of May 1, 2003 or the date that Idaho Power has completed installation of the Idaho Power provided Interconnection Equipment as specified within this Exhibit A, whichever is later.

Initially these monthly charges will be based upon the estimated cost of \$45,000. Upon completion of the reconciliation of the actual costs, Idaho Power will adjust the previous month(s) billed operation and maintenance charge to reflect the actual total cost incurred by Idaho Power and the appropriate refund or billing will be processed.

A-11 SALVAGE

No later than sixty (60) days after the termination or expiration of this Agreement, Idaho Power will prepare and forward to the Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities described in this Appendix, less the cost of removal and transfer to Idaho Power's nearest warehouse, if the Interconnection Facilities will be removed. If Seller elects not to obtain ownership of the Interconnection Facilities but instead wishes that Idaho Power reimburse the Seller for said Facilities the Seller may invoice Idaho Power for the net salvage value as estimated by Idaho Power and Idaho Power shall pay such amount to Seller within thirty (30) days after receipt of the invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho Power.

SCHEDULE 86  
COGENERATION AND SMALL POWER PRODUCTION  
NON-FIRM ENERGY

AVAILABILITY

Service under this schedule is available throughout the Company's service territory within the State of Idaho.

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility with a nameplate capacity rating of less than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company on a non-firm, if, as, and when available basis;
2. Meets all applicable requirements of the Company's Schedule 72 and the Generation Interconnection Process.

DEFINITIONS

Avoided Energy Cost is the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Electricity Price Index (Dow Jones Mid-C Index) prices for nonfirm energy published in the Wall Street Journal. If the Dow Jones Mid-C Index prices are not reported for a particular day or days, the average of the immediately preceding and following reporting periods or days will be used.

Designated Dispatch Facility is the Company's Boise Bench Dispatch Center.

Energy means the non-firm electric energy, expressed in kWh, generated by the Qualifying Facility and delivered by the Seller to the Company in accordance with the conditions of this schedule. Energy is measured net of Losses and Station Use.

Generation Facility means equipment used to produce electric energy at a specific physical location, which meets the requirements to be a Qualifying Facility.

Generation Interconnection Process is the Company's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection.

Interconnection Facilities are all facilities reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and safely deliver Energy from the Qualifying Facility to the Company's system, including, but not limited to, connection, transformation, switching, metering, relaying, communications, disconnection, and safety equipment.

Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.

Point of Delivery is the location where the Company's and the Seller's electrical facilities are interconnected.

SCHEDULE 86  
COGENERATION AND SMALL POWER PRODUCTION  
NON-FIRM ENERGY  
(Continued)

DEFINITIONS (Continued)

Prudent Electrical Practices are those practices, methods and equipment that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

PURPA means the Public Utility Regulatory Policies Act of 1978.

Qualifying Facility is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Schedule 72 is the Company's service schedule which provides for interconnection to non-utility generation or its successor schedule(s) as approved by the Commission.

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

Standby Power is electrical energy or capacity supplied by the Company during an unscheduled outage of a Qualifying Facility to replace energy consumed by the seller which is ordinarily supplied by the Seller's Qualifying Facility.

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

Supplementary Power is electric energy or capacity supplied by the Company which is regularly used by a Seller in addition to the Energy and capacity which the Qualifying Facility usually supplies to the Seller.

PURCHASE PRICE

The Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, an amount equal to 85% of the monthly Avoided Energy Cost.

CONDITIONS OF PURCHASE AND SALE

The conditions listed below shall apply to all transactions under this schedule.

1. The Company shall purchase Energy from any Seller that offers to sell Energy to the Company.
2. As a condition of interconnection with the Company, the Seller shall:
  - a. Complete and maintain all requirements of interconnection in accordance with Schedule 72.

SCHEDULE 86  
COGENERATION AND SMALL POWER PRODUCTION  
NON-FIRM ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

- b. Complete and maintain all requirements of the Company's Generation Interconnection Process.
  - c. Submit proof to the Company of all insurance required by paragraph 12.
  - d. Obtain written confirmation from the Company that all conditions to interconnection have been fulfilled prior to operation of the Generation Facility. Such confirmation shall not be unreasonably withheld by the Company.
3. The Seller shall never deliver or attempt to deliver energy to the Company's system when the Company's system serving the Seller's Generation Facility is de-energized for any reason.
4. The Seller and the Company shall each indemnify the other, their respective officers, agents, and employees against all loss, damage, expense, and liability to third persons for injury to or death of persons or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with purchases under this schedule. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.
5. The Company shall offer to provide Standby Power and Supplementary Power to the Seller. Charges for Supplementary and Standby Power will be in accordance with the Company's Schedule 7 as that schedule is modified from time to time by the Commission.
6. The Seller shall maintain voltage levels acceptable to the Company.
7. The Seller shall maintain at the Qualifying Facility or such other location mutually acceptable to the Company and Seller, adequate metering and related power production records, in a form and content recommended by the Company.
- Either the Seller or the Company after reasonable notice to the other party, shall have the right, during normal business hours, to inspect and audit any or all such metering and related power production records pertaining to the Seller's account.
8. During a period of shortage of energy on the Company's system, the Seller shall, at the Company's request and within the limits of reasonable safety requirements as determined by the Seller, use its best efforts to provide requested Energy, and shall, if necessary, delay any scheduled shutdown of the Qualifying Facility.
9. The Company and the Seller shall maintain appropriate operating communications through the Designated Dispatch Facility.

SCHEDULE 86  
COGENERATION AND SMALL POWER PRODUCTION  
NON-FIRM ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

10. The Company shall not be obligated to accept, and the Company may require the Seller to curtail, interrupt or reduce deliveries of Energy if the Company, consistent with Prudent Electrical Practices, determines that curtailment, interruption or reduction is necessary because of line construction or maintenance requirements, emergencies, or other critical operating conditions on its system.

11. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its Customers, the Company may require the Seller to curtail its consumption of electricity in the same manner and to the same degree as other Customers within the same Customer class who do not own Generation Facilities.

12. The Seller shall secure and continuously carry liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit.

Such insurance shall include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies shall not be canceled or their limits of liability reduced without 30 days' written notice to the Company. The Seller shall furnish the Company with certificates of insurance together with the endorsements required herein. The Company shall have the right to inspect the original policies of such insurance.

13. The Seller shall grant to the Company all necessary rights of way and easements to install, operate, maintain, replace, and remove the Company's metering and other Interconnection Facilities including adequate and continuing access rights to the property of the Seller. The Seller warrants that it has procured sufficient easements and rights of way from third parties as are necessary to provide the Company with the access described above. The Seller shall execute such other grants, deeds, or documents as the Company may require to enable it to record such rights of way and easements.

14. Depending on the size and location of the Seller's Qualifying Facility, it may be necessary for the Company to establish additional requirements for operation of the Qualifying Facility. These requirements may include, but are not limited to, voltage, reactive, or operating requirements.

SCHEDULE 72  
INTERCONNECTIONS TO  
NON-UTILITY GENERATION

AVAILABILITY

Service under this schedule is available throughout the Company's service area within the State of Idaho to Sellers owning or operating Qualifying Facilities or that qualify for Schedule 84.

APPLICABILITY

Service under this schedule applies to the construction, operation, maintenance, Upgrade, Relocation, or removal of transmission and/or distribution lines and equipment necessary to safely interconnect a Seller's Generation Facility to the Company's system.

DEFINITIONS

Additional Applicant is a person or entity whose request for electrical connection requires the Company to utilize existing Interconnection Facilities which are subject to a Vested Interest.

Company is the Idaho Power Company.

Construction Cost is the cost, as determined by the Company, of Upgrades, Relocation or construction of Company furnished Interconnection Facilities.

Disconnection Equipment is any device or combination of devices by which the Company can manually and/or automatically interrupt the flow of energy from the Seller to the Company's system, including enclosures or other equipment as may be required to ensure that only the Company will have access to certain of the devices.

First Energy Date is the date when the Seller begins delivering energy to the Company's system.

Generation Facility means equipment used to produce electric energy at a specific physical location which meets the requirements to be a Qualifying Facility or that qualify for Schedule 84.

Interconnection Facilities are all facilities which are reasonably required by prudent electrical practices and the National Electric Safety Code to interconnect and to allow the delivery of energy from the Seller's Generation Facility to the Company's system, including, but not limited to, Special Facilities, Disconnection Equipment and Metering Equipment.

Interconnection Point is the point where the Seller's conductors connect to the facilities owned by the Company.

Metering Equipment is the Company owned equipment required to measure, record or telemeter power flows between the Seller's Generation Facility and the Company's system.

Protection Equipment is the circuit-interrupting device, protective relaying, and associated instrument transformers.

PURPA means the Public Utility Regulatory Policies Act of 1978.

SCHEDULE 72  
INTERCONNECTIONS TO  
NON-UTILITY GENERATION  
(Continued)

DEFINITIONS (Continued)

Qualifying Facility is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Relocation is a change in the location of existing Company-owned transmission and/or distribution lines, poles or equipment.

Schedule 84 is the Company's service schedule which provides for sales of electric energy to the Company by means of a net metering arrangement or its successor(s) as approved by the Commission.

Seller is a non-utility generator who has contracted or will contract with the Company to interconnect a Generation Facility to the Company's system to sell electric energy to the Company including net metering sales, as provided in Schedule 84.

Seller Furnished Facilities are those portions of the Interconnection Facilities provided by the Seller.

Special Facilities are additions to or alterations of transmission and/or distribution lines and transformers, including, but not limited to, Upgrades and Relocation, to safely interconnect the Seller's Generation Facility to the Company's system.

Transfer Cost is the cost, as determined by the Company, for acceptance by the Company of Seller Furnished Facilities.

Upgrades are those improvements to the Company's existing system which are reasonably required by prudent electrical practices and the National Electric Safety Code to safely interconnect the Seller's Generation Facility. Such improvements include, but are not limited to, additional or larger conductors, transformers, poles, and related equipment.

Vested Interest is the claim for refund that a Seller or Additional Applicant holds in a specific portion of Company-owned Interconnection Facilities. The Vested Interest expires 5 years from the date the Company completes construction of its portion of the Interconnection Facilities unless fully refunded earlier. Vested Interests do not apply to Schedule 84 net metering projects.

COST OF INTERCONNECTION FACILITIES

All Interconnection Facilities provided under this schedule will be valued at the Company's Construction Cost and/or the Transfer Cost for vesting purposes as well as for operation and maintenance payment obligations.



SCHEDULE 72  
INTERCONNECTIONS TO  
NON-UTILITY GENERATION  
(Continued)

PAYMENT FOR INTERCONNECTION FACILITIES

Unless specifically agreed otherwise by written agreement between the Seller and the Company, the Seller will pay all costs of interconnecting a Generation Facility to the Company's system.

Unless specifically agreed otherwise in a written agreement between the Seller and the Company, an initial cost estimate of Company-owned Interconnection Facilities will be provided to the Seller. Payment of the estimated cost will be required prior to the Company's ordering, installing, modifying, upgrading, or performing in any other way work associated with the Interconnection Facilities. Upon completion of the Company-owned Interconnection Facilities, the actual costs will be reconciled against the estimated cost previously paid by the Seller and the appropriate billing or refund will be processed. The Company reserves the right to collect additional costs from the Seller for any additional Company equipment, modifications, or upgrades the Company deems necessary to operate and maintain a safe, reliable electrical system as a result of the interconnection of the Seller's Generation Facility to the Company's system.

CONSTRUCTION AND OPERATION OF INTERCONNECTION FACILITIES

All Seller Furnished Interconnection Facilities will be constructed and maintained in a manner to be in full compliance with all prudent electrical practices, National Electric Safety Code, and all other applicable Federal, state, and local safety and electrical codes and standards at all times.

The Seller shall:

1. Submit proof to the Company that all licenses, permits, inspections and approvals necessary for the construction and operation of the Seller's Generation and Interconnection Facilities under this schedule have been obtained from applicable Federal, state, or local authorities.
2. Submit the designs, plans, specifications, and performance data for the Generation Facility and Seller Furnished Facilities to the Company for review. The Company's acceptance shall not be construed as confirming or endorsing the design, or as a warranty of safety, durability, or reliability of the Generation Facility or Seller Furnished Facilities. The Company will retain the right to inspect this equipment at its discretion.
3. Demonstrate to the Company's satisfaction that the Seller's Generation Facility and Seller Furnished Facilities have been completed, and that all features and equipment of the Seller's Generation Facility and Seller Furnished Facilities are capable of operating safely to commence deliveries of Energy into the Company's system.
4. Provide and maintain adequate protective equipment sufficient to prevent damage to the Generation Facility, Seller Furnished Facilities and any other Seller-owned facilities in conformance with all applicable electrical and safety codes and requirements.

SCHEDULE 72  
INTERCONNECTIONS TO  
NON-UTILITY GENERATION  
(Continued)

CONSTRUCTION AND OPERATION OF INTERCONNECTION FACILITIES (Continued)

5. Provide and maintain Disconnection Equipment in accordance with all applicable electrical and safety codes and requirements as described within this Schedule.
6. Provide a 24-hour telephone contact(s). This contact will be used by the Company to arrange for repairs and inspections or in case of an emergency. The Company will make its best effort to arrange repairs and inspections during normal business hours and to notify the Seller of such arrangements in advance. The Company will provide a telephone number to the Seller so that the Seller can obtain information about Company activity impacting the Seller's facility.

DISCONNECTION EQUIPMENT

Disconnection Equipment is required for all Seller Generation Facilities. The Disconnection Equipment shall be installed at an electrical location to allow complete isolation of Seller's Generation and Interconnection Facilities from the Company's system. The Disconnection Equipment for a Schedule 84 net metering facility will be installed at an electrical location on the Seller's side of the Company's retail metering point to allow complete isolation of the Seller's Generation and Interconnection Facilities from the Seller's other electrical load and service.

The Disconnection Equipment's operating device shall be:

1. Readily accessible by the Company at all times.
2. Clearly marked "Generation Disconnect Switch" with permanent 3/8 inch or larger letters.
3. Physically installed at a location within 10 feet of the Interconnection Point or exact, permanent instructions posted at the Interconnection Point indicating the precise location of the Disconnection Equipment's operating device.
4. Of a design manually operated and lockable in the open position with a standard Company padlock.

Operation of Disconnection Equipment. If, in the reasonable opinion of the Company, the Seller's operation or maintenance of the Generation Facility or Interconnection Facilities is unsafe or may otherwise adversely affect the Company's equipment, personnel, or service to its customers, the Company may physically disconnect the Seller's Generation Facility or Interconnection Facilities by operation of the disconnection device or by any other means the Company deems necessary to adequately disconnect the Seller's Generation and Interconnection Facilities from the Company's system. At such time as the unsafe condition is remedied or other condition adversely affecting the Company is resolved to the Company's satisfaction, the interconnection will be restored.

SCHEDULE 72  
INTERCONNECTIONS TO  
NON-UTILITY GENERATION  
(Continued)

DISCONNECTION EQUIPMENT (Continued)

The Company will disconnect the Seller's Generation and Interconnection Facilities in the event of any planned or unplanned maintenance or repair of the Company's system connected to the Seller's Generation and Interconnection Facilities. In the event of unplanned maintenance or repairs, no prior notice will be provided. In the event of planned repairs, the Company will attempt to notify the Seller of the time and duration of the planned outage.

The Company will disconnect the Seller's Generation Facility and Interconnection Facilities in the event that any terms and conditions of any applicable Company tariff or contract enabling the interconnection of the Seller's Generation Facility is deemed by the Company to be in default or delinquent.

All expenses of disconnection and reconnection incurred by the Company will be billed to the Seller.

In the case of a net metering facility, disconnection of the service may be necessary. The disconnection may result in interruption of both energy deliveries from the Seller's Generation Facility to the Company as well as interruption of energy deliveries from the Company to the Seller.

The Company will establish the settings of Protection Equipment to disconnect the Seller's Generation Facility and Interconnection Facilities for the protection of the Company's system and personnel consistent with prudent electrical practices. If the Seller attempts to modify, adjust or otherwise interfere with the protection equipment or its settings as established by the Company, such action may be grounds for the Company's refusal to continue interconnection of the Seller's Generation and Interconnection Facilities to the Company's system.

GENERAL REQUIREMENTS OF INTERCONNECTED PROJECTS

1. The Company will construct, own, operate and maintain all equipment, Upgrades and Relocations on the Company's electrical side of the Interconnection Point.
2. The Company will clearly mark the Metering Equipment and any other Company equipment associated with the Seller's Generation Facility and/or Interconnection Facilities designating the existence of the Seller's Generation Facility as required by prudent electrical practices.
3. The Seller will be required to submit all specific designs, equipment specifications, and test results of the Seller Furnished Facilities to the Company for review. Upon receipt of the design and equipment specifications, the Company will review the design and equipment specifications for conformance with applicable electrical and safety codes and standards.

