

**DELANO MUNICIPAL UTILITIES
COGENERATION AND SMALL POWER PRODUCTION
RATE SCHEDULE**

AVAILABILITY

Available to all customers where the customer has qualified small power production or cogeneration facilities connected in parallel with the Utility's facilities. The customer is required to execute an Interconnection Agreement with the Utility. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

TYPE OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Utility shall pay the customer monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below.

1. Net Energy Billing: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

The Utility shall bill the qualifying facility for the excess of energy supplied by the Utility above energy supplied by the qualifying facility during each billing period according to the Utility's applicable retail rate schedule. The Utility shall pay the customer for the energy generated by the qualifying facility that exceeds that supplied by the Utility during a billing period as follows:

<u>Service Type</u>	<u>Average Retail Energy Rate</u>
Residential	\$ 0.1009 per kWh
Small General	\$ 0.1078 per kWh
Large General	\$ 0.0895 per kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

Kilowatt-hours produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Utility with no compensation to the QF.

3. Simultaneous Purchase and Sale Billing: Available to any QF of less than 40 kW capacity that do not select or qualify for either the Net Energy Billing, Roll Over

Credits or Time of Day rates and does not receive a time of day retail electric service from the Utility.

Utility shall pay the customer for all energy delivered as follows:

Energy Payment (\$/kWh)	\$ 0.03006
Capacity Payment for Firm Power (\$/kWh)	\$ 0.00

4. Time-of-Day Purchase Rate: Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided.

Utility shall pay the customer for all energy delivered as follows:

On Peak Energy Payment (\$/kWh)	\$ 0.03872
Off Peak Energy Payment (\$/kWh)	\$ 0.02583
Capacity Payment for Firm Power (\$/kWh)	\$ 0.00

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the customer.