

**AGREEMENT FOR ELECTRIC SERVICE TO A QUALIFYING FACILITY
AND FOR PURCHASE OF SURPLUS DEMAND AND ENERGY FROM A
QUALIFYING FACILITY**

THIS AGREEMENT, made and entered into this _____ day of _____, 20__, by and between PELLA COOPERATIVE ELECTRIC ASSOCIATION, an Iowa cooperative corporation with its principal place of business in Pella, Iowa (“**Cooperative**”) and _____, an individual residing in _____, Iowa (“**Member-Consumer**”);

WITNESSETH:

WHEREAS, the Corporation is a public utility under Chapter 476 of the Code of Iowa (1999), owns, operates and maintains electric distribution facilities in Iowa; and

WHEREAS, Cooperative is a member of Central Iowa Power Cooperative (“**CIPCO**”) of Cedar Rapids, Iowa, and subject to all requirement restrictions of the Wholesale Power Contract; and,

WHEREAS, Member-Consumer is a member of Cooperative and purchases electric power and energy from Cooperative; and,

WHEREAS, Member-Consumer owns and operates a qualifying co-generator or small power production facility (“**QF**”) under the federal Public Utility Regulatory Policies Act of 1978 (“**PURPA**”), and desires to purchase from Cooperative emergency and backup electric utility service, and sell surplus demand and energy to the Cooperative, and to interconnect with the electric distribution system of Cooperative in order to do so; and,

WHEREAS, Cooperative and Member-Consumer desire to set forth in this Agreement the terms and conditions pursuant to which said interconnection, purchases, and sales shall be made;

IT IS, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER SET FORTH, AGREED BY AND AMONG THE PARTIES AS FOLLOWS:

1. Member-Consumer represents and warrants to Cooperative that its QF has a maximum available capacity of 100 kW or less and that its QF has been certified by the Federal Energy Regulatory Commission as a qualifying facility pursuant to the requirements of PURPA.
2. Cooperative shall furnish, sell and deliver to Member-Consumer, and Member-Consumer shall purchase from Cooperative, any electric power and energy not generated by the QF which Member-Consumer may need at the location described in Exhibit “A”, attached hereto and by this reference made a part hereof, subject to the remaining provisions of this Agreement.

3. Electrical service provided by Cooperative shall be 120/240 volts a.c. unless three-phase service is available, and the point of interconnection shall be 120/240 volts a.c. unless three-phase service is available.

4. Member-Consumer shall not use the electric power and energy furnished pursuant to this Agreement as an auxiliary or supplement to any other source of electric power and energy, other than that generated by the Member-Consumer's QF located on its premises, and shall not resell electric power and energy purchased hereunder.

5. Member-Consumer shall pay Cooperative for service at the applicable rate class and upon the terms and conditions set forth in the Cooperative Tariff filed with the Iowa Utilities Board, except as provided otherwise herein. The backup rate may apply for the remainder of the term of this Agreement, except as adjusted pursuant to Section 6 of this Agreement.

6. In the event the rate paid by the Cooperative for the purchase of electric power and energy from CIPCO is modified, or in the event of changes in Cooperative's cost of labor, materials or other items affecting its costs of operation, Cooperative may change the rate for service provided under this Agreement. In said event, Cooperative shall provide Member-Consumer with thirty (30) days written notice of such rate modification, which modification shall become effective thirty (30) days following the giving of said notice.

7. The initial billing period shall commence when Member-Consumer begins receiving electric power and energy from Cooperative, or thirty (30) days after the date Cooperative notifies Member-Consumer in writing that service is available, whichever shall first occur.

8. Bills for service hereunder shall be paid at the office of the Cooperative in Pella, Iowa. The bill shall be considered rendered to the customer when presented to the customer, consistent with the Cooperative's Tariff, and is due and payable immediately. Twenty (20) days after the rendering of the bill, the bill shall be considered delinquent and a late payment charge will be applied. If the twentieth (20th) day is a Saturday, Sunday or legal holiday, the late payment charge will be applied starting with the next business day.

9. Member-Consumer shall be subject to the disconnection procedures and other provisions upon the terms and conditions set forth in the Cooperative's Tariff filed with the Iowa Utilities Board, except as otherwise provided herein.

10. Any notice of pending disconnection for failure to pay bills shall be a written notice setting forth the reason for the notice and the final date by which the account is to be settled or other specific action taken. The notice shall be considered rendered to the Member-Consumer when deposited in the U.S. Mail with postage prepaid. The final date for disconnection shall not be less than twelve (12) days after the notice is rendered. Discontinuance of service shall not relieve the Member-Consumer of any of its obligations under this Agreement.

11. Should the Member-Consumer become delinquent and disconnection is prohibited due to becoming eligible for winter energy assistance (November 1 to April 1) or for any other reason, any payment by Cooperative for purchases of power and energy from the QF shall instead be credited to the Member-Consumer's delinquent account balance until such balance is brought to a current status.

12. Member-Consumer shall become and remain a member of Cooperative during the initial term of this Agreement and any extensions thereof, shall pay the Cooperative's membership fee, if any, and shall be subject to the terms and conditions of the Cooperative's Articles of Incorporation, Bylaws, rules and regulations.

13. The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy. If the supply of electric power and energy shall fail or be interrupted, or become defective through an act of God, negligent or intentional acts of Member-Consumer or a third party(ies), or omissions by Member-Consumer or by any such third person or entity not a party hereto, governmental authority, action of the elements, public enemy, accident, strikes, labor disputes, required maintenance work, inability to secure right-of-way, or any other causes beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefore or for damages caused thereby.

14. The Cooperative will meter the Member-Consumer to obtain the billing data necessary to fulfill the terms of this Agreement. The Cooperative shall install, own and maintain and the Member-Consumer shall reimburse the Cooperative for the metering equipment and pay all costs associated with the installation and maintenance of metering equipment necessary to measure all electrical flow between the Cooperative and Member-Consumer at the point of interconnection. Said metering may include equipment capable of recording real and reactive power flow and demand and energy in fifteen (15) minute intervals for the entire billing period format compatible with CIPCO's existing system interchange metering. Meters shall be read monthly by the Cooperative and any costs incurred for meter reading, data retrieval and translation shall be the Member-Consumer's. If the QF consists of a single wind-powered generator, which has a maximum output of 12.5 kW or less, energy-only metering shall be allowed at the Cooperative's option. The Cooperative shall have the right to install such additional metering equipment as it deems necessary for the collection of data for research purposes, which metering will be furnished and paid for by the Cooperative.

15. Member-Consumer agrees to sell to Cooperative, and Cooperative agrees to purchase from the Member-Consumer, electric power and energy generated by Member-Consumer's QF and delivered to the point of interconnection with the Cooperative's distribution system, pursuant to CIPCO's Qualifying Facility Purchase Rate Schedule and by this reference made a part hereof. The Cooperative agrees to receive said electric power and energy. (Current rate schedule attached to executed document.)

16. Before the QF is allowed to interconnect with the distribution system of the Cooperative, the Member-Consumer shall provide the Cooperative with a signed (by Member-Consumer) interconnection proposal acceptable to the Cooperative. The interconnection proposal shall include a description, a diagram, and the specifications of the QF. The interconnection

proposal shall also outline how the QF intends to meet the required interconnection and operating requirements contained in this Agreement. Any costs incurred by the Cooperative to evaluate and review the interconnection proposal shall be paid by the Member-Consumer.

17. Member-Consumer's QF shall be required to satisfy the Standards for Interconnection, Safety and Operating Reliability of Iowa Administrative Code 199-15.10, and any subsequent amendments thereto, before interconnection with Cooperative's system shall be permitted.

18. Member-Consumer shall pay all costs associated with the QF's interconnection. These costs include, but are not limited to, automatic relaying, system protection, system upgrades and any engineering studies which may be required by the cooperative. Member-Consumer shall have protection equipment that will prevent it from re-energizing a de-energized line.

19. In order to provide adequate safety to Cooperative's employees, Member-Consumers and third parties, Member-Consumer shall furnish and install an Underwriter's Laboratory (UL) listed manual disconnect switch, as specified in the National Electric Code, Article 705, between Member-Consumer's QF and the Cooperative's system in order that the QF may be positively disconnected from Cooperative's system. The location of the switch shall be determined and approved by the Cooperative and shall be housed in an approved enclosure which shall be secured with a padlock or other locking device. Cooperative shall have access to the switch.

20. Operation of the QF must not cause any reduction in the quality of service provided to other member-consumers or interfere with the operation of the Cooperative's system. Member-Consumer shall take such corrective action as may be necessary in order to eliminate such condition, and shall reimburse the Cooperative for any costs incurred by the Cooperative in correcting or eliminating such conditions.

21. The electrical characteristics of the QF shall conform with standards established by the Cooperative, including but not limited to, voltage, current, frequency, harmonics, and automatic synchronization. Harmonic content shall comply with IEEE Standard 519-1992 of IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems. Voltage fluctuation shall not exceed three percent (3%) at the interconnection, and the Member-Consumer's load, in conjunction with generation, cannot be less than ninety percent (90%) power factor as measured on a continuous basis at the point of interconnection. Failure of the Member-Consumer to provide the equipment necessary to meet these requirements, when requested by the Cooperative shall be grounds for discontinuation of service.

22. Cooperative reserves the right to require Member-Consumer to provide at its expense suitable apparatus for filtering to avoid interference with telephone, radio, television, or other electrical signal reception caused by electrical equipment and apparatus on Member-Consumer's premises. Failure of Member-Consumer to provide filtering when requested by the Cooperative shall be grounds for discontinuation of service.

23. Member-Consumer shall comply with all applicable laws, rules and regulations governing the operation of its QF including the Cooperative's electric tariff governing cogeneration and small power provision, filed with the Iowa Utilities Board. Authorized representatives of Cooperative shall have the right to enter Member-Consumer's property at all reasonable times to inspect the QF and to ensure that it is being operated in compliance with the Cooperative's safety and operating standards, and with all other applicable safety laws, rules and regulations. Cooperative shall also have the right at all reasonable times to enter Member-Consumer's property to read meters and to verify the accuracy of Cooperative's meters. Such inspections shall not relive Member-Consumer of its obligation to maintain its facilities in safe and satisfactory operating condition.

24. Cooperative reserves the right to open the disconnect switch, thereby isolating Member-Consumer's QF, without prior notice to Member-Consumer, for any of the following reasons:

- A. System emergency and/or maintenance operations which require such action.
- B. The existence of potentially hazardous condition relating to the QF.
- C. Interference with the quality of service provided to other Member-Consumers, and/or the operation of the Cooperative's system, caused by or resulting from the operation of the QF.

25. Member-Consumer shall agree to insure, indemnify and hold CIPCO and the Cooperative and their officers, directors, and employees harmless against liability for injuries or damages caused by the Member-Consumer or third parties, by and through the operation of the Member-Consumer's equipment, by any failure of Member-Consumer to maintain said equipment in satisfactory and safe operating condition, by any breach of this Agreement by Member-Consumer or by any violation by the Member-Consumer, or third party(ies) acting for or on Member-Consumer's behalf, of the Cooperative's tariff referred to in paragraph 23 herein - and further to hold such parties harmless from all such claims, including attorneys' fees. Member-Consumer shall provide comprehensive general liability insurance, naming the Cooperative as an additional insured, in an amount not less than \$1,000,000.00 prior to interconnection. Member-Consumer shall annually provide Cooperative with proof of insurance and shall notify Cooperative upon termination or modification of insurance coverage. Failure to maintain said insurance in force shall be cause for discontinuation of service.

26. This Agreement shall become effective on the date and year first above written, and it shall remain in effect for a term of two (2) years from and after the commencement of initial billing period. This Agreement shall thereafter continue for successive terms of one (1) year each, unless terminated by any party giving the other not less than three (3) months' written notice of its desire to terminate this Agreement.

27. This Agreement shall be subject to all federal and state laws and regulations relating to allocation of power.

28. This Agreement shall be binding upon the Parties and upon their respective successors and assigns, provided Member-Consumer may not assign its interest in this Agreement without the prior written consent of the Cooperative.

29. This Agreement shall be interpreted and construed in accord with laws of the State of Iowa.

30. This Agreement sets forth all of the terms and conditions forming the agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and Year first above written.

PELLA COOPERATIVE ELECTRIC ASSOCIATION

By: _____
President

ATTEST:

Secretary

MEMBER-CONSUMER

By: _____
Title of Officer* (if Member-Consumer is not an Individual)

*If other than president, vice president, partner or owner, a power of attorney must accompany contract.