

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF
COGENERATION OR SMALL POWER PRODUCTION INSTALLATION; 100 KW OR LESS**

THIS AGREEMENT made this _____ day of _____, 20____, by and between _____, hereinafter referred to as the "Producer," and Central Texas Electric Cooperative, Inc., hereinafter referred to as the "Cooperative" is as follows:

1. Purpose

Producer owns or intends to own and/or operate a qualifying electric power generating installation and desires to interconnect and operate such installation in parallel with Cooperative's electric distribution system. This agreement defines the relationship between the Cooperative and Producer including terms affecting purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Producer's Generating Installation

The generating installation to which this agreement applies is described as:

Make: _____
Model: _____
Serial #: _____
Fuel or Energy Source: _____
Nameplate Output Rating: _____ kw
Operating Voltage: _____ volts
Connection: _____ phase
Located at: _____

Emergency Contact:

Name: _____
Address: _____
Phone: _____

3. Terms

The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, sales and purchases of electricity will be governed by the Cooperative's Tariff including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, said tariff including all service rules, regulations, and rates is a part of this agreement to the same extent as if fully set out herein and is on file and available at the Cooperative's office in Fredericksburg, Texas.

4. Interconnection

Prior to interconnection Producer shall have (1) fulfilled all requisites for the provision of electric utility service contained in the tariff, (2) provide an interconnection plan and other information; (3) comply with conditions for line extension; **(4) provide satisfactory liability insurance;** (5) sign and deliver this Agreement; (6) complete construction; (7) comply with laws; (8) give notice of intent to energize; and (9) eliminate any conditions preventing interconnection. Producer warrants to Cooperative that Producer's power generating installation is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.

5. Parallel Operation

Producer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Producer's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected. Producer shall install and/or pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and meter(s) at all times.

The Cooperative's liability is limited in accordance with its tariff and Producer agrees to indemnify and hold the Cooperative harmless from all claims except as specified in the tariff.

6. Purchases of Electricity from Producer

Select one of the following options:

- a) The Cooperative will not purchase any output from the generating installation; the Producer's meter(s) shall be modified to prevent reverse metering;
- b) The Cooperative will purchase the net surplus output from the generating installation as measured by a second service meter which records the net surplus output of Producer into the Cooperative's system, where the net surplus is defined to be the accumulated instantaneous output of the Producer in excess of Producer's simultaneous instantaneous load;
- c) The Cooperative will purchase the output of Producer's generating installation as measured by a second meter which records the output while charging the Producer for the Producer's consumption; or
- d) Producer certifies that he/she is using renewable resources and hereby elects to interconnect through a single meter that runs forward and backward ("net metering").

_____ **Producer initials here to confirm selection of option listed above.**

The Cooperative will pay for electricity purchased from Producer at the applicable tariff rate for qualifying small power generation installations.

At the option of the Producer, the Cooperative will:

Credit the value of all output purchased from the Producer's generating installation against the monthly bill for service for the month following receipt of the Producer's meter reading(s) for the monthly billing cycle; or

Pay Producer by check for all output purchased from Producer's generating installation within _____ days from receipt of the Customer's meter reading(s) for the monthly billing period.

7. Sales of Electric Service to Producer

Producer agrees to pay for electric service in accordance with the rate schedule applicable to _____ class. If any tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having a jurisdiction thereof whether or not at the request of the Cooperative, such changed tariff, rate, or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change. Periodically, Cooperative will render to Producer a statement of services rendered. Producer agrees to pay the total amount shown on such statement within sixteen (16) days from its date. Payment shall be made to Cooperative at its office in Fredericksburg, Gillespie County, Texas.

8. Term

The acceptance of this instrument by the Cooperative shall constitute an agreement between the Producer and the Cooperative which shall continue in force for an initial term of _____ years (not to exceed 5 years) from the date service is made available by the Cooperative to the Producer. After the initial term, this agreement may be terminated by either party giving at least thirty (30) days written notice to the other.

9. Breach

The failure or refusal to perform any obligation contained in this agreement shall constitute a breach of this agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this agreement, Cooperative may discontinue service if Producer has breached any portion of this agreement by failure to make timely payment or otherwise.

10. Entire Agreement

This agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Producer and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. Producer agrees that it is not relying on any statements not herein contained.

11. Assignment

This agreement shall not be assigned by Producer except in accordance with the Articles, Bylaws, and rules and regulations of Cooperative. This agreement shall inure to the benefit of Cooperative's assigns.

12. Interconnection Cost

Producer agrees to pay for extension of Cooperative's facilities and other interconnection costs as follows:

\$ _____ in advance of any work by the Cooperative;

or

\$ _____ per month as an increased monthly minimum over and above the applicable minimum stated in the Cooperative's tariff.

13. Receipt of Tariff

Producer acknowledges receipt of a copy of the Cooperative's tariff.

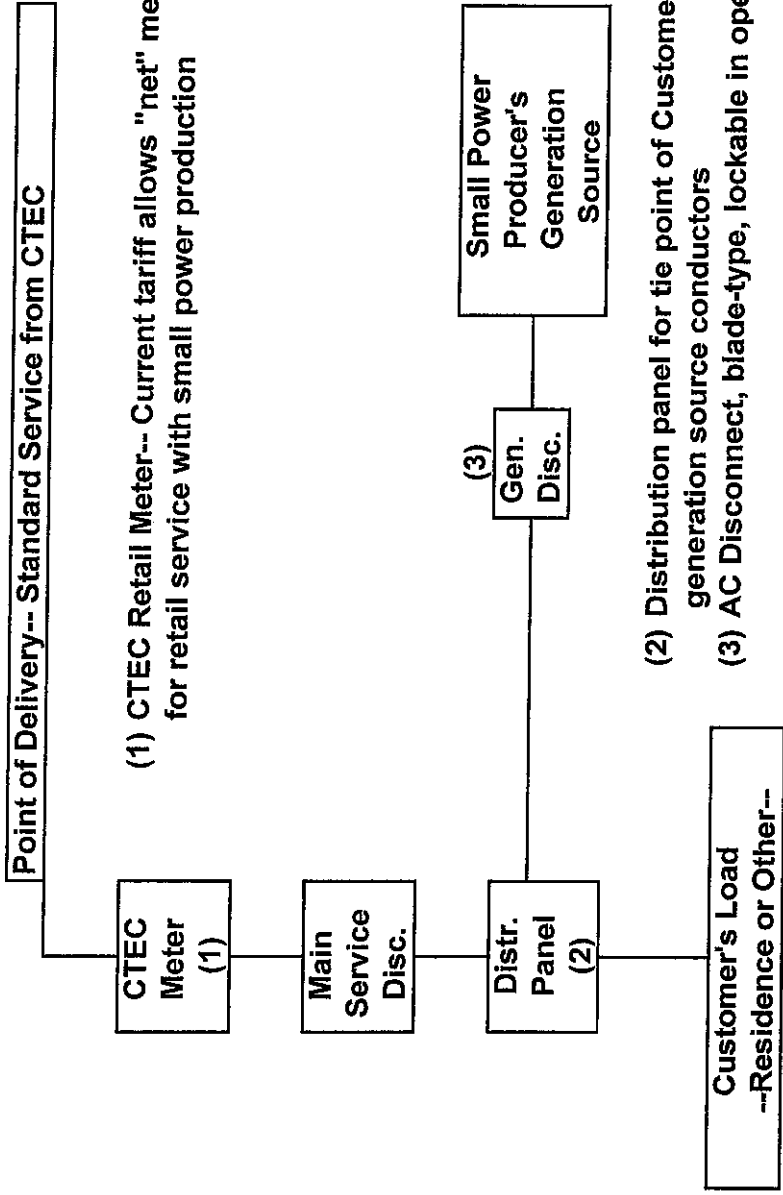
Central Texas Electric Cooperative, Inc.:

Producer:

By: _____
Robert Loth III

Title: Chief Executive Officer

CENTRAL TEXAS ELECTRIC COOPERATIVE, INC.
Small Power Producers, 100 KW or Less



(1) CTEC Retail Meter-- Current tariff allows "net" metering for retail service with small power production

(2) Distribution panel for tie point of Customer's small power generation source conductors
(3) AC Disconnect, blade-type, lockable in open position