

SAWNEE ELECTRIC MEMBERSHIP CORPORATION
QUALIFYING FACILITIES RATE FOR POWER PURCHASES

SCHEDULE QFPP-1

I. PURPOSE

- A. The electric output of a generation facility that has been granted status as a qualifying facility (“QF”) pursuant to Section 201 of the Public Utility Regulatory Policies Act of 1978 (“PURPA”) will be purchased by Sawnee Electric Membership Corporation (“Corporation” or “Sawnee”) in accordance with the current guidelines for qualifying facilities as specified by the Federal Energy Regulatory Commission (“FERC”).

II. TYPE OF SERVICE

- A. Unless otherwise provided by contract, the character of purchased power will be sixty (60) Hertz.
- B. Voltage, single or three-phase, shall be determined by the voltage of Sawnee’s distribution lines in the vicinity unless otherwise agreed.

III. CONDITIONS OF SERVICE

- A. The cogeneration or small power production facility must have been granted Qualifying Facility status by FERC.
- B. The QF must execute an interconnection agreement with the Corporation prior to connecting any generation facilities to the Corporation’s distribution system and meet all requirements for metering.

IV. PURCHASE RATES

- A. Cogeneration and small power production facilities that are QFs will receive payment for the electrical energy produced by the facility and delivered to the Corporation’s system based upon the type of product produced and delivered and the Corporation’s associated avoided cost of supply.
- B. The type of product will be defined on a “case by case” basis based on reliability, availability, dispatch capability, and the deliverable capacity and volume.

- C. The avoided cost will be determined on a “case by case” basis.
- D. The type of product to be produced and delivered by the QF will be considered, to the extent applicable, when determining the avoided cost.
- E. The QF will be responsible for and must reimburse the Corporation for any and all costs incurred by the Corporation to interconnect with the Corporation’s distribution system.

V. TERMS OF PAYMENT

- A. Terms of payment will be determined on a case by case basis.

VI. WHOLESALE COST ADJUSTMENT

- A. Should there be any change in the manner in which the Corporation purchases or supplies power, including but not limited to changes in rates, terms or conditions, the cost of power, the method of service or other such factors, the Corporation reserves the right to modify the charges and provisions stated above correspondingly.

VII. FRANCHISE FEE, GROSS RECEIPT OR OCCUPATION TAX

- A. Any tax or franchise fee, gross receipt or occupation tax imposed by any governmental authority upon the service, or any component thereof, rendered under this Schedule will be added to bills calculated pursuant to the above rate.

ADPOTED: November 18, 2004

EFFECTIVE: January 1, 2005