



A Touchstone Energy® Cooperative

04125 State Route 576 • Bryan Ohio 43506
Ph. 419-636-5051 • Fax 419-636-0194

OHIO'S ELECTRIC
COOPERATIVES

Your Touchstone Energy® Cooperatives

ATTACHMENT 7

**AGREEMENT FOR ELECTRIC SERVICE
FOR QUALIFYING CO-GENERATION OR SMALL POWER PRODUCTION
FACILITIES WITH DISTRIBUTED GENERATION**

This Agreement, made and dated as of _____, by and between
North Western Electric Cooperative, Inc. (hereinafter called "the Cooperative") and
_____ (hereinafter called the "Member-Owner"), for electric
service at _____, Ohio, _____,
Cooperative Location No. _____ (hereinafter called the "Premises"):

WITNESSETH:

WHEREAS, the Cooperative, Inc. is a not-for-profit corporation organized under the laws of the State of Ohio engaged in the business of selling electric power and energy at retail with its principal place of business located at 04125 State Route 576, Bryan, Ohio, 43506; and

WHEREAS, the Member-Owner is [a _____ organized under the laws of the State of _____ doing business in the State of Ohio, which] or [an individual who] owns and operates all land and facilities located on the Premises; and

WHEREAS, the Member-Owner has or will install on the Premises certain member-owned electric generating facilities up to [25] [OR] [100] kW in the aggregate, which electric generating facilities (the "Electric Generating Facility") are more particularly described in Exhibit E to the Agreement for Interconnection and Parallel Operation of a Qualifying Cogeneration or Small Power Production Facility up to [25] [OR] [100] kW of even date herewith by and between the Cooperative and the Member-Owner (the "Agreement for Interconnection and Parallel Operation"); and

WHEREAS, the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder ("PURPA"); and

WHEREAS, the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Member-Owner's electric consuming facilities located on the Premises, as described herein; and

WHEREAS, the Member-Owner desires to interconnect the Electric Generating Facility to the Cooperative's electric distribution system and transfer to the Cooperative any such output and receive a credit against the Member-Owner's bill for electric service under the Distributed Generation Metering arrangements described in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Cooperative's Distributed Generation Rate Schedule, which is attached hereto; and

WHEREAS, the Cooperative desires to sell, and the Member-Owner desires to purchase, electric power and energy to meet the requirements of Member-Owner's electric consuming facilities under the terms and conditions hereinafter set forth; and

WHEREAS, a single meter or pair of meters has been or will be installed at the Premises, which meter or meters is/are capable of registering the flow of electricity in each direction from the Cooperative's electric distribution system to Member-Owner's electric consuming facilities on the Premises, and from Member-Owner's Electric Generating Facility to the Cooperative's electric distribution system, at the point of interconnection ("Metering");

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Subject to the terms and conditions of this Agreement, the Cooperative shall sell and deliver to the Member-Owner, and the Member-Owner shall purchase and receive, all of the electric power and energy which the Member-Owner may need at the Premises up to _____ kW.
2. Service hereunder shall be alternating current, _____ phase, _____ cycles, _____ volts for Location No. _____.
3. The Member-Owner shall pay the Cooperative for service hereunder at the rate and upon the terms and conditions set forth in the Cooperative's Distributed Generation Rate Schedule, which is attached hereto and made a part of this Agreement as if fully restated herein. The Cooperative's Distributed Generation Rate Schedule will be superseded by any new or amended Distributed Generation Rate Schedule from time to time by the Board of Trustees of the Cooperative. Payment for the service provided hereunder shall be made at the office of the Cooperative, or at such other place as the Cooperative shall hereafter designate in writing.
4. If the Member-Owner shall fail to make any such payment within fifteen (15) days after such payment is due, the Cooperative may discontinue service to the Member-Owner upon giving no less than fifteen (15) days written notice to the Member-Owner of its intention to

do so, provided however, that such discontinuance of service shall not relieve the Member-Owner of any of its obligations under this Agreement.

5. The Member-Owner is or shall become a member-owner of the Cooperative and be bound by such rules and regulations as may from time to time be adopted by the Cooperative.

6. The Member-Owner shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of electric power and energy and shall not sell or transfer to others the electric power and energy purchased hereunder, without permission of the Cooperative; provided, however, that Member-Owner may operate the Electric Generating Facility upon the terms and conditions and for the purposes set forth in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Cooperative's Distributed Generation Rate Schedule which is attached hereto and made a part of this Agreement as if fully restated herein. The Member-Owner represents and warrants to the Cooperative that the Electric Generating Facility is a certified qualifying cogeneration or small power production facility under PURPA. The Member-Owner represents and warrants to the Cooperative that the output of the Electric Generating Facility is not reasonably anticipated to exceed the annual electric energy requirements of Member-Owner's electric consuming facilities located on the Premises. For purposes of this Agreement and the Agreement for Interconnection and Parallel Operation, the Electric Generating Facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the Member-Owner's electric consuming facilities located on the Premises" if the Electric Generating Facility annually generates less than one hundred and twenty percent (120%) of the Member-Owner's annual electric energy requirements. The Member-Owner's "annual electric energy requirements" shall be the average amount of electricity consumed annually by the Member-Owner for the electric consuming facilities located on the Premises over the previous three years, using the annual period of June 1 to May 31. If the Cooperative does not have the data or cannot calculate the average amount of electricity consumed annually over the previous three years, such as in instances of new construction or vacant properties, the Cooperative shall use any available consumption data to estimate the annual electricity consumption for the Member-Owner's electric consuming facilities located on the Premises and provide the estimation data to the Member-Owner. If the Electric Generating Facility annually generates one hundred and twenty percent (120%) or more of the Member-Owner's annual electric energy requirements, determined as set forth above, the Electric Generating Facility's output will be presumed to be "reasonably anticipated to exceed the annual electric energy requirements of the Member-Owner's electric consuming facilities located on the Premises," and the Cooperative may, in its sole discretion, elect to cease providing electric service to the Member-Owner pursuant to the Cooperative's Distributed Generation Rate Schedule and, instead, elect to provide electric service to the Member-Owner at the rate and upon the terms and conditions set forth in the Cooperative's Back-Up and Supplementary Electric

Service Rate Schedule, and require the Member-Owner to (a) sell the output of the Electric Generating Facility to Buckeye Power, Inc. ("Buckeye") on an hourly basis at Buckeye's avoided cost rate, as determined by Buckeye in its sole discretion, (b) reimburse the Cooperative for the cost of the installation of hourly metering facilities (currently estimated to cost up to \$ _____), (c) reimburse Buckeye for the cost of its telemetering facilities (currently estimated to cost up to \$10,000), (d) pay Buckeye a monthly billing and service fee (currently \$100 per month), and (e) terminate this Agreement and the Agreement for Interconnection and Parallel Operation, and enter into a Power Purchase Agreement with Buckeye, an Agreement for Electric Service for Back-Up and Supplementary Electric Service with the Cooperative, and an Agreement for Interconnection and Parallel Operation with the Cooperative, to contemplate the elimination of distributed generation and the purchase of the Electric Generating Facility output by Buckeye on an hourly basis at Buckeye's avoided cost rate.

7. The Member-Owner shall use the output of the Electric Generating Facility first to meet the requirements of Member-Owner's electric consuming facilities located on the Premises on an instantaneous. Any output of the Electric Generating Facility shall be transferred to the Cooperative and credited on a kilowatt-hour (kWh) basis against the Member-Owner's monthly bill for electric service hereunder in the same month in which the kWh billing credit is generated, all in accordance with the Distributed Generation arrangements set forth in this Agreement, the Agreement for Interconnection and Parallel Operation, and the Distributed Generation Rate Schedule attached hereto. Member-Owner shall only be entitled to receive a kWh billing credit for any such output of the Electric Generating Facility provided, however, that, in the event that the Cooperative has not elected to cease providing Distributed Generation as provided in Section 6 of this Agreement, and Member-Owner generates hourly Distributed Generation kWh billing credits in any month in excess of Member-Owner's kWh usage for such monthly billing period, (a) the Cooperative will inform Buckeye of the existence of such excess monthly kWh billing credits; (b) Buckeye will purchase such excess kWh monthly billing credits at Buckeye's avoided cost rate, as determined by Buckeye in its sole discretion, and credit the Cooperative's wholesale power bill for such dollar amount; (c) the Cooperative's load shall not be reduced by the amount of such excess monthly kWh billing credits purchased by Buckeye; (d) the Cooperative shall credit Member-Owner's monthly power bill with the dollar amount of the monthly billing credits paid by Buckeye to the Cooperative; and (e) in the event that at the end of the annual period ending May 31 of each year the aggregate dollar amount of the monthly billing credits for such year exceeds the aggregate dollar amount of the Cooperative's charges to the Member-Owner for such year, the Cooperative shall issue a check to the Member-Owner for such excess dollar amount. [The Cooperative] **OR** [The Member-Owner] shall be entitled to all environmental attributes of the Electric Generating Facility during the term of this Agreement. [The Cooperative] **OR** [The Member-Owner] shall have the sole and exclusive right to designate the Electric

Generating Facility as a renewable resource during the term of this Agreement in order to satisfy any federal, state or local renewable energy requirement, renewable energy procurement requirement, renewable energy portfolio standard, or other renewable energy mandate.

8. Whenever the Cooperative's facilities located at the Premises are relocated solely to suit the convenience of the Member-Owner, the Member-Owner shall reimburse the Cooperative for the entire cost incurred in making such change.

9. (a) The Cooperative will use reasonable diligence in furnishing a regular and uninterrupted supply of electric power and energy, but does not guarantee uninterrupted service. The Cooperative shall not be liable for damages or other losses in case such supply is interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Member-Owner is delayed by reason of an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, governmental action, loss of power supply, breakdowns or injury to the machinery, transmission or distribution lines or other facilities of the Cooperative, repairs, maintenance or any cause beyond the Cooperative's control; provided, however, that in no event shall the Cooperative be liable for personal injury, wrongful death, property damage or other losses not caused by or due to the gross negligence or willful and wanton misconduct of the Cooperative; provided, further, however, that in no event shall the Cooperative be liable for consequential damages of any nature whatsoever in case such supply of power and energy should be interrupted, curtailed, reduced, fluctuates, becomes irregular, or fails, or the commencement of service to the Member-Owner is delayed; and provided further that the failure of the Member-Owner to receive electric power and energy because of any of the aforesaid conditions shall not relieve the Member-Owner of its obligation to make payments to the Cooperative as provided herein.

(b) The point at which service is delivered by the Cooperative to the Member-Owner at the Cooperative's Location No. _____ on the Premises, to be known as the "point of interconnection", shall be the point at which the Member-Owner's electric consuming facilities located on the Premises are connected to the Cooperative's electric distribution system. The Cooperative shall not be liable for any loss, injury or damage resulting from the Member-Owner's use of its facilities or equipment or occasioned by the power and energy furnished by the Cooperative beyond the point of interconnection.

(c) The Member-Owner shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from any fluctuation or irregularity in the supply of electric power and energy. The Cooperative shall not be liable for any loss, injury or damage resulting from any fluctuation or irregularity in the supply of power and energy which could have been prevented by the use of such protective devices.

(d) The Cooperative will provide and maintain the necessary lines or service connections, metering and other apparatus which may be required for the proper

measurement of and rendition of its service, and for the proper measurement of the output of Member-Owner's Electric Generating Facility. All such apparatus shall be owned and maintained by the Cooperative. A single meter or pair of meters will be installed which shall be capable of registering the flow of electricity in each direction from the Cooperative's electric distribution system to Member-Owner's electric consuming facilities located on the Premises, and from the Member-Owner's Electric Generating Facility to the Cooperative's electric distribution system, at the point of interconnection.

10. In the event of loss or injury to the property of the Cooperative through misuse by, or the negligence of, the Member-Owner or the employees of the same, the cost of the necessary repairs or replacement thereof shall be paid to the Cooperative by the Member-Owner.

Member-Owner will be responsible for any person tampering with, interfering with, or breaking the seals or meters or other equipment of the Cooperative installed at the Premises. The Member-Owner hereby agrees that no one except the employees of or persons duly authorized by the Cooperative shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Cooperative. The Member-Owner shall provide the Cooperative reasonable access at all times to the Cooperative's meters and other facilities of the Cooperative located on the Premises.

11. Metering equipment used in determining the demand and amount of electric power and energy supplied hereunder, and the demand and amount of electric power and energy produced by Member-Owner's Electric Generating Facility, shall be tested and calibrated, if required, by the Cooperative. If any metering equipment shall be found inaccurate, it shall be restored to the extent possible to a 100.0% accurate condition; or new metering equipment to the extent necessary shall be substituted so that, as far as possible, 100.0% accuracy shall always be maintained. The Member-Owner shall have the right to request that a special meter test be made at any time. In the event a test made at the Member-Owner's request discloses that the meter tested is registering correctly, or within two percent (2%) above or below 100.0% accuracy at full load, Member-Owner shall bear the expense of such meter test.

The results of all such tests and calibrations shall be open to examination by the Member-Owner and a report of every requested test shall be furnished to the Member-Owner. Any meter tested and found to be not more than two percent (2%) above or below 100.0% accuracy at full load, shall be considered to be accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the last regular monthly billing period occurring prior to the day on which inaccuracy is discovered by such test, and no correction shall be made for a longer period than that during which it may be determined by mutual

agreement of the parties involved that the inaccuracy existed. The Cooperative will bear the cost of the meter test if any meter is found to register in excess of two percent (2%) above or below 100.0% accuracy at full load.

For any period that metering equipment is found to have failed wholly, or in part, to register and for which no alternate metering is available, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation during which such meter was in service and operating. The Cooperative shall notify the Member-Owner in advance of the time of any meter test so that a representative of the Member-Owner may be present.

12. Duly authorized representatives of the Cooperative shall be permitted to enter the Premises at all reasonable times in order to carry out the provisions hereof.

13. This Agreement shall begin on the date first written above and shall continue until the ten-year anniversary of the commencement of the term of this Agreement unless extended, terminated or cancelled. This Agreement shall automatically renew for successive periods of one (1) year each, unless either party provides notice of termination at least 90 days prior to the end of the then current term, in which case the Agreement shall terminate at the end of the then current term. The Cooperative may terminate this Agreement at any time upon material breach by Member-Owner of its obligations under this Agreement.

14. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns; provided, however, this Agreement shall not be assigned by the Member-Owner without the prior written consent of the Cooperative, any such assignment by the Member-Owner being null and void without such consent.

(b) This Agreement shall not be effective unless approved in writing by all governmental agencies from which approval is required.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, except for any conflicts of law's provisions.

16. All present or future federal, state, municipal or other lawful taxes payable by reason of the sale or purchase or Distributed Generation of the output of the Electric Generating Facility, the production of electrical output from the Electric Generating Facility, or the ownership of the Electric Generating Facility, under this Agreement shall be paid by Member-Owner. Without limiting the generality of the foregoing, the Member-Owner shall be solely responsible for: any Ohio kilowatt-hour taxes associated with the production of electricity from the Electric Generating Facility; any Ohio public utility property taxes associated with the Member-Owner's ownership of the Electric Generating Facility; and any state or federal income taxes associated with the Member-Owner's receipt of payments or Distributed Generation by the Cooperative or Buckeye under this Agreement. Member-Owner acknowledges that neither the Cooperative nor Buckeye has represented to the Member-Owner that the Member-Owner will not be subject to any such kilowatt-hour taxes, public

utility property taxes, or state or federal income taxes as a result of the Distributed Generation arrangements described in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

NORTH WESTERN ELECTRIC COOPERATIVE, INC.

By (Signature): _____

Name: _____

Title: _____

Member-Owner Name: _____

By (Signature): _____

Name: _____

Title: _____