

ENTERGY GULF STATES, INC.

Electric Service
Texas

SCHEDULE SQF

Sheet No.: 55

Effective Date: 12-18-98

Revision: 6

Supersedes: SQF Effective 7-5-95

Schedule Consists of: Two Sheets

RATE FOR PURCHASES FROM QUALIFYING FACILITIES LESS THAN OR EQUAL TO 100 KW

I. APPLICABILITY

This rate is applicable to Qualifying Facilities (QFs) with a design capacity of 100 kW or less who contract, on mutually agreeable terms, with the Company for the sale of energy and for any necessary interconnections. A QF is defined as a small power production facility or cogeneration facility that qualifies under Subchapter K, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations that implement Sections 201 and 210 of The Public Utility Regulatory Policies Act of 1978.

II. INTERCONNECTION COSTS

Each qualifying facility shall be obligated to pay all reasonable interconnection costs directly related to the installation of the physical facilities necessary to permit interconnected operations with the qualifying facility. Interconnection costs shall be paid by the QF prior to the purchase of energy by the Company.

III. MONTHLY PAYMENT (A+B-C)

A. Energy Payment

The following multipliers shall be applied to the Company's monthly average energy cost to determine the energy payment for each kWh supplied to the Company:

<u>Billing Months of</u>	
<u>May-October</u>	<u>November-April</u>
1.94	1.82

B. Capacity Payment

A capacity payment will be made if, as a class, QFs on this rate, cause capacity costs to be avoided by the Company.

C. Customer Charge

Each QF will pay a monthly Customer Charge to defray Company's billing, metering, maintenance, administrative, and other expenses necessary to maintain service to the QF. Such a charge also covers normal interconnection costs for typical Customers, and varies by voltage level as follows:

<u>Delivery Voltage</u>	<u>Monthly Charge</u>
Secondary Voltage (less than 2,400 volts)	\$12.35
Primary Voltage (2,400 volts-34.5 KV)	\$22.65

For additional interconnection costs, (as described in Section II) over and above those covered above, QF will pay a non-refundable lump sum charge at the time of installation to cover such costs to the Company.

If special operating and maintenance costs are necessary to support special interconnection facilities, an additional monthly charge, in addition to the charges above, may be required.

IV. **MONTHLY PAYMENT SCHEDULE OPTIONS**

The applicable payment shall be the sum of calculations enumerated under one of the following Customer options.

Option-1

Parallel operation with interconnection through a single meter that measures net consumption.

- A. The Customer selecting this option will operate its system in parallel with that of the Company. The Company will not meter nor purchase any production by the Customer. The Customer Charge stated in the "Monthly Payment" section of this tariff will not be applicable under this option.
- B. The rate charged by the Company for the energy supplied to the Customer will be in accordance with the applicable standard tariff.

Option-2

Parallel operation with interconnection through two meters in series, with one measuring the QF excess production supplied to the Company and the other measuring the energy supplied to the Customer by the Company.

- A. The Customer selecting this option will operate its system in parallel with that of the Company. The Company will meter and purchase the QF excess production at the rates stated in the "Monthly Payment" section of this tariff. A monthly Customer Charge will be paid by the Customer as specified in the "Monthly Payment" section of this tariff.
- B. The rate charged by the Company for the energy supplied to the Customer will be in accordance with the applicable standard tariff.

Option 3

Interconnection through two meters with one measuring only the total production by the QF and the other measuring only the total energy supplied to the Customer by the Company.

- A. The Company will purchase all the production by the QF at the rates stated in the "Monthly Payment" section of this tariff. A monthly Customer Charge will be paid by the Customer as specified in the "Monthly Payment" section of this tariff.
- B. The rate charged by the Company for the energy supplied to the Customer will be in accordance with the applicable standard tariff.

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SCHEDULE SQF (Cont.)

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FACILITIES LESS THAN OR EQUAL TO 100 KW**

Option 4

Qualifying facilities using renewable resources with an aggregate design capacity of 50 kW or less have the option of interconnecting through a single meter that runs forward and backward.

- A. The Customer selecting this option will operate its system in parallel with that of the Company. Any excess production of the QF for a given billing period which results in a negative meter reading will establish the energy purchased by the Company. The rate for such purchase will be as stated in the "Monthly Payment" section of this tariff. The Customer Charge stated in the "Monthly Payment" section of this tariff will not be applicable under this option.
- B. A positive meter reading for a given billing period will establish the energy supplied to the Customer by the Company. The rate charged by the Company for such energy will be in accordance with the applicable standard tariff.

V. **RATE CHANGES BY COMPANY**

The rates and charges charged or paid the QF will be the Company's going rates and charges in effect for like conditions of service to the QF's class of service, as provided in the Company's rate schedules, or in effective superseding rate schedules promulgated by the Company which are filed with, accepted for filing, or approved, as appropriate, by the regulatory authority having jurisdiction thereof. Anything in any contract with the QF, or any rate schedule to the contrary notwithstanding, each and all rates, charges and payments by Gulf States in any rate schedule may be changed by the Company from time to time, at any time, and Company shall have and hereby specifically reserves the right in all events to change the rates and charges, it charges or pays in accordance with applicable law and procedures prescribed by the regulatory authorities having jurisdiction over such rates and charges and to seek and place in effect changes in its rates and charges without the concurrence or joinder of the QF. All increases in rates and charges by Company shall apply to service contracted prior to the effective date of the increase as well as service contracted after such effective date. Such increased or decreased rates shall be effective from such date with respect to service thereafter furnished to or taken from the QF even though such changed rate may not then be made effective as to all persons within such class because of then existing contract restrictions or because of regulatory or governmental action, delay, or inaction with respect to such rights as may be provided by applicable law and regulatory procedures to contest before the regulatory authority having jurisdiction whether any such changes in rates and charges are just and reasonable.

VI. **STANDBY OR AUXILIARY SERVICE**

QFs under this rate schedule will be provided Standby and/or Maintenance Service under Schedule SMS provided QFs install necessary metering equipment at QF's expense.

VII. **BILLING**

The Company shall send a statement and payment (if applicable) to the Seller on or before the 20th day after the Seller's meter is read. The statement shall include the kilowatthours delivered to the Company during the previous monthly billing period, the QFs Customer Charge and the amount of the per unit energy payments for the month. The statement will also include the net payment due from or to Company for service herein.

VIII. **AMOUNT DUE AND PAYMENT**

The past due amount for service furnished for which payment is not made within sixteen days of the billing date shall be the monthly bill, including all adjustments under the rate schedule, plus 5% of the first \$50.00 and 2% of any additional amount of such monthly bill above \$50.00. If the amount due when rendered is paid prior to such date, the monthly bill, including all adjustments under the rate schedule shall apply. All payments by a state agency, as that term is defined in Chapter 2251 of the Tex. Gov't Code (Vernon Supp. 1995), shall be due and bear interest as provided in Chapter 2251 of the Tex. Gov't Code (Vernon Supp. 1995).