

Electric Rate Schedules



Lumbee River Electric Membership Corporation

Effective with bills issued on or after July 1, 2014

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

RED SPRINGS, NORTH CAROLINA

**RATE SCHEDULE
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LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE A-2

Single-Phase General Service

AVAILABILITY

Service under this schedule is available to all single-phase consumers, whose actual demand has not exceeded 50 kilowatts for the past twelve months, including the month for which the bill is rendered, subject to the established rules and regulations of Lumbee River Electric Membership Corporation.

TYPE OF SERVICE

Standard service under this schedule shall be single-phase, 60 cycles, at available secondary voltages.

MONTHLY RATE

Facility Charge: \$ 27.65 per month

Energy Charges:	<u>Summer (June-Sept.)</u>	<u>Winter (Oct.-May)</u>
First 800 kWhs per month	9.76¢ per kWh	9.01¢ per kWh
Next 1,400 kWhs per month	9.76¢ per kWh	8.56¢ per kWh
Over 2,200 kWhs per month	9.17¢ per kWh	8.19¢ per kWh

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the greater of:

1. The minimum monthly charge specified in the contract for service, or
2. The monthly Facility Charge.

MINIMUM ANNUAL CHARGE FOR SERVICE

Consumers requesting service only for certain seasons of the year may be required to guarantee the Cooperative a minimum annual payment. This annual minimum shall be payable the first month of each year the consumer begins taking service and is payable in lieu of a monthly Facility Charge. The minimum annual charge shall be sufficient to assure adequate compensation for facilities installed to serve the consumer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

Consumers requesting service to be reconnected, which has been disconnected for less than twelve months, shall be responsible for the greater of:

1. The monthly minimum, as determined above, times the number of months the service was disconnected, or
2. The Cooperative's current reconnection charge.

SCHEDULE A-2 -- Single-Phase General Service

WHOLESALE POWER COST ADJUSTMENT

The above rate shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

TOBACCO BARN AND BULK BARN PROVISIONS

Seasonal service provided to Tobacco Barns and Bulk Barns shall be billed as per the above rate, but bills will be rendered on a four months' basis (June through September). A minimum annual charge in lieu of a monthly minimum charge is payable in advance. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the minimum bill provisions of this schedule.

STREET LIGHTING CHARGE

In an approved development, Lumbee River Electric Membership Corporation may install a street lighting system. Each member in these developments will pay \$2.60 per month for a standard street light, \$4.00 per month for a decorative light, or \$7.75 per month for a specialty light as an additional charge for this service.

UNDERGROUND FACILITY CHARGE

In an approved development, Lumbee River Electric Membership Corporation may install both underground primary and service cable. Each member in these developments will pay \$2.50 per month as an additional charge for this service.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE G-2A

Small Three-Phase General Service

AVAILABILITY

Service under this schedule is available to three-phase consumers, whose actual demand has not exceeded 50 kilowatts for the past twelve months, including the month for which the bill is rendered, and are located on or near the Cooperative's three-phase lines, subject to the established rules and regulations of Lumbee River Electric Membership Corporation.

TYPE OF SERVICE

Standard service under this schedule shall be three-phase, 60 cycles, at available secondary voltages.

MONTHLY RATE

Facility Charge: \$ 45.00 per month

Energy Charges:

First 800 kWhs per month	9.60¢ per kWh
Next 4,200 kWhs per month	8.64¢ per kWh
Over 5,000 kWhs per month	7.93¢ per kWh

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the greater of:

1. The minimum monthly charge specified in the contract for service, or
2. The monthly Facility Charge.

MINIMUM ANNUAL CHARGE FOR SERVICE

Consumers requesting service only for certain seasons of the year may be required to guarantee the Cooperative a minimum annual payment. This annual minimum shall be payable the first month of each year the consumer begins taking service and is payable in lieu of a monthly Facility Charge. The minimum annual charge shall be sufficient to assure adequate compensation for facilities installed to serve the consumer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

Consumers requesting service to be reconnected, which has been disconnected for less than twelve months, shall be responsible for the greater of:

1. The monthly minimum, as determined above, times the number of months the service was disconnected, or
2. The Cooperatives' current reconnection charge.

SCHEDULE G-2A -- Small Three-Phase General Service

WHOLESALE POWER COST ADJUSTMENT

The above rate shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

TOBACCO BARN AND BULK BARN PROVISIONS

Seasonal service provided to Tobacco Barns and Bulk Barns shall be billed as per the above rate, but bills will be rendered on a four months' basis (June through September). A minimum annual charge in lieu of a monthly minimum charge is payable in advance. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the minimum bill provisions of this schedule.

SERVICE PROVISIONS

If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

STREET LIGHTING CHARGE

In an approved development, Lumbee River Electric Membership Corporation may install a street lighting system. Each member in these developments will pay \$2.60 per month for a standard street light, \$4.00 per month for a decorative light, or \$7.75 per month for a specialty light as an additional charge for this service.

UNDERGROUND FACILITY CHARGE

In an approved development, Lumbee River Electric Membership Corporation may install both underground primary and service cable. Each member in these developments will pay \$2.50 per month as an additional charge for this service.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE H

Medium General Service

AVAILABILITY

Service under this schedule is available to consumers whose actual demand exceeds 50 kilowatts, but is less than 1,000 kilowatts, during a twelve-month period, including the month for which the bill is rendered for all types of usage, subject to the established rules and regulations of Lumbee River Electric Membership Corporation.

TYPE OF SERVICE

Single-Phase, 60 cycles, at available secondary or primary distribution voltages.

Three-Phase, 60 cycles, at available secondary or primary distribution voltages.

MONTHLY RATE

Facility Charge:	\$ 100.00 per month
Demand Charge:	
All kW	\$ 5.95 per kW of billing demand
Energy Charge:	
All kWhs	6.13¢ per kWh
Reactive Demand Charge:	
All Billed kVAr	\$ 0.50 per billed kVAr

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the greater of:

1. \$1.50 per KVA of installed transformer capacity,
2. The minimum monthly charge specified in the contract for service, or
3. The monthly Facility Charge.

MINIMUM ANNUAL CHARGE FOR SERVICE

Consumers requesting service only for certain seasons of the year may be required to guarantee the Cooperative a minimum annual payment. This annual minimum shall be payable the first month of each year the consumer begins taking service and is payable in lieu of a monthly Facility Charge. The minimum annual charge shall be sufficient to assure adequate compensation for facilities installed to serve the consumer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

Consumers requesting service to be reconnected, which has been disconnected for less than twelve months, shall be responsible for the greater of:

SCHEDULE H -- Medium General Service

1. The monthly minimum, as determined above, times the number of months the service was disconnected, or
2. The Cooperatives' current reconnection charge.

DETERMINATION OF BILLING DEMAND

The Billing Demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered as indicated or recorded by a demand meter.

POWER FACTOR ADJUSTMENT

Consumers with maximum monthly demands in excess of 200 kW agree to maintain unity power factor, as nearly as practicable. Should the consumer's power factor fall below 90 percent lagging, the consumer shall pay the Reactive Demand Charge times billed kVAr, as calculated below:

$$\text{Billed kVAr} = \text{Maximum kVAr} - (\text{kW Demand} \times 0.484).$$

The maximum fifteen-minute integrated kW demand and maximum fifteen-minute integrated kVAr demand shall be used for the purpose of calculating the billed kVAr.

The consumer shall be responsible for controlling any capacitors on their system to prevent the power factor from leading. In the event the consumer's power factor is found to go leading, the consumer shall also pay the Reactive Demand Charge times the maximum fifteen-minute leading kVAr supplied during the month.

WHOLESALE POWER COST ADJUSTMENT

The above rate shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

SERVICE PROVISIONS

1. Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

If service is furnished at Lumbee River Electric Membership Corporation's primary distribution voltage, the delivery point shall be the point of attachment of Lumbee River Electric Membership Corporation's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other

SCHEDULE H -- Medium General Service

electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

2. **Primary Discount.** If service is furnished at primary distribution voltage, a discount of one and one-half percent (1.5%) shall apply to the demand and energy charges, and if the minimum charge is based on the transformer capacity, a discount of one and one-half percent (1.5%) shall also apply to the minimum charge. However, Lumbee River Electric Membership Corporation shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt-hours and kilowatt demand.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE I-2 Large General Service

AVAILABILITY

Service under this schedule is available to consumers, whose demand has exceeded 1,000 kilowatts, but is less than 10,000 kilowatts, during the past twelve months, including the month for which the bill is rendered, and are located on or near the Corporation's multi-phase lines of adequate capacity, subject to the Corporation's Service Rules and Regulations. Service on this schedule will be delivered at one point and metered at or compensated to that voltage. Power delivered under this schedule shall not be used for resale or exchange.

TYPE OF SERVICE

Standard service under this schedule shall be three-phase, 60 cycles, at available secondary or primary distribution voltages.

MONTHLY RATE

Facility Charge:	\$ 850.00 per month
Demand Charge:	
All kW	\$ 11.25 per kW of billing demand
Energy Charge:	
All kWhs	4.67¢ per kWh
Reactive Demand Charge:	
All Billed kVAr	\$ 0.50 per billed kVAr

MINIMUM MONTHLY BILL

The minimum monthly bill shall be the greater of:

1. \$1.50 per KVA of installed transformer capacity,
2. The minimum monthly charge specified in the contract for service, or
3. The monthly Facility Charge.

DETERMINATION OF BILLING DEMAND

The Billing Demand shall be based on the highest kW demand established over any fifteen-minute interval during the current month, but in no case shall the billing demand be less than the contract demand.

WHOLESALE POWER COST ADJUSTMENT

The above rate shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

SCHEDULE I-2 -- Large General Service

POWER FACTOR ADJUSTMENT

Consumers served under this schedule agree to maintain unity power factor, as nearly as practicable. Should the consumer's power factor fall below 90 percent lagging, the consumer shall pay the Reactive Demand Charge times billed kVAr, as calculated below:

$$\text{Billed kVAr} = \text{Maximum kVAr} - (\text{kW Demand} \times 0.484).$$

The maximum fifteen-minute integrated kW demand and maximum fifteen-minute integrated kVAr demand shall be used for the purpose of calculating the billed kVAr.

The consumer shall be responsible for controlling any capacitors on their system to prevent the power factor from leading. In the event the consumer's power factor is found to go leading, the consumer shall also pay the Reactive Demand Charge times the maximum fifteen-minute leading kVAr supplied during the month.

CONTRACT PERIOD

The Contract Period shall not be less than five (5) years.

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

SERVICE PROVISIONS

1. Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

If service is furnished at Lumbee River Electric Membership Corporation's primary distribution voltage, the delivery point shall be the point of attachment of Lumbee River Electric Membership Corporation's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

2. Primary Discount. If service is furnished at transmission or primary distribution voltage, a discount of 1.5% shall apply to the demand and energy charges. Lumbee River Electric Membership Corporation shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt-hours and kilowatt demand.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE I-2 - TOD **Large General Service - Time-of-Day**

AVAILABILITY

Service under this schedule is available only on a voluntary and limited basis, at the Cooperative's option. This rate shall be limited to the availability of appropriate meters and will be limited further by the saturation and/or impact on the Cooperative's electric system of members utilizing this rate schedule in a general area. This rate is available only to consumers who would otherwise be served under the Cooperative's Large General Service Schedule (Schedule I-2).

TYPE OF SERVICE

The Cooperative will furnish 60 cycle service through one meter at available secondary voltages.

The type of service supplied will depend upon the voltage available. Prospective consumers should ascertain the available voltage by inquiring at the nearest Cooperative office before purchasing equipment.

MONTHLY RATE

Facility Charge:	\$ 500.00 per month
Demand Charges:	
On-Peak Demand Charges	
Summer (Jun-Sept)	\$ 19.25 per kW
Winter (Oct-May)	\$ 12.75 per kW
Maximum Monthly Demand Charge	\$ 3.25 per kW
Energy Charges:	
On-Peak kWhs	5.57¢ per kWh
Off-Peak kWhs	3.98¢ per kWh
Reactive Demand Charge:	
All Billed kVAr	\$ 0.50 per billed kVAr

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the greater of:

1. The Minimum Monthly Charge specified in the contract.
2. The monthly Facility Charge, or
3. \$ 1.50 per KVA of installed transformer capacity.

SCHEDULE I-2-TOD -- Large General Service - Time-of-Day

DETERMINATION OF BILLING DEMAND

The On-Peak billing demand shall be the maximum kilowatt demand established by the consumer during a fifteen minute interval, during On-Peak hours, within the month for which the bill is rendered, as indicated or recorded by a demand meter. The Maximum Monthly billing demand shall be the consumer's maximum demand established during a fifteen minute interval, within the month for which the bill is rendered, as indicated or recorded by a demand meter.

PEAK AND OFF-PEAK PERIODS

I. On-Peak Hours:

- A. Service used beginning at 12:00 midnight March 31 and ending at 12:00 midnight September 30:

The on-peak hours are defined as the hours between 10:00 a.m. and 10:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

- B. Service used beginning at 12:00 midnight September 30 and ending at 12:00 midnight March 31:

The on-peak hours are defined as those hours between 6:00 a.m. and 1:00 p.m., plus 4:00 p.m. through 9:00 p.m., Monday through Friday, excluding holidays considered as off-peak.

II. Off-Peak Hours:

The off-peak hours in any month are defined as all hours not specified above as on-peak hours. All hours for the following holidays will be considered off-peak: New Year's Day, Good Friday, Easter Monday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day.

POWER FACTOR ADJUSTMENT

Consumers served under this schedule agree to maintain unity power factor, as nearly as practicable. Should the consumer's power factor fall below 90 percent lagging, the consumer shall pay the Reactive Demand Charge times billed kVAr, as calculated below:

$$\text{Billed kVAr} = \text{Maximum kVAr} - (\text{kW Demand} \times 0.484).$$

The maximum fifteen-minute integrated kW demand and maximum fifteen-minute integrated kVAr demand shall be used for the purpose of calculating the billed kVAr. The consumer shall be responsible for controlling any capacitors on their system to prevent the power factor from leading. In the event the consumer's power factor is found to go leading, the consumer shall also pay the Reactive Demand Charge times the maximum fifteen-minute leading kVAr supplied during the month.

SCHEDULE I-2-TOD -- Large General Service - Time-of-Day

WHOLESALE POWER COST ADJUSTMENT

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

SERVICE PROVISIONS

1. Delivery Point. If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

If service is furnished at Lumbee River Electric Membership Corporation's primary distribution voltage, the delivery point shall be the point of attachment of Lumbee River Electric Membership Corporation's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

2. Primary Discount. If service is furnished at primary distribution voltage, a discount of one and one-half percent (1 1/2%) shall apply to the demand and energy charges, and if the minimum charge is based on the transformer capacity, a discount of one and one-half percent (1 1/2%) shall also apply to the minimum charge. However, Lumbee River Electric Membership Corporation shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt-hours and kilowatt demand.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE D

Outdoor Lighting Service

AVAILABILITY

Service under this schedule is available to any individual member or commercial business, or industry for service supplied in the lighting of private property, parking lots, private streets, and private driveways in all territories served by the Cooperative, subject to the Cooperative's established Rules and Regulations. Lights will be operated from dusk to dawn through the use of a photoelectric cell.

TYPE OF SERVICE

- A. Security/Street Lighting – Standard lights are bracket mounted on a Cooperative-owned wood pole.
 - 1. 175 Watt Mercury Vapor
 - 2. 100 Watt High Pressure Sodium
 - 3. 250 Watt High Pressure Sodium
 - 4. 400 Watt High Pressure Sodium
- B. Flood Lighting – Standard lights are bracket mounted on a Cooperative-owned wood pole.
 - 1. 1,000 Watt Mercury Vapor
 - 2. 400 Watt High Pressure Sodium
 - 3. 1,000 Watt High Pressure Sodium
 - 4. 1,000 Watt Metal Halide
- C. Parking Lot Lighting – Standard lights are a shoebox style fixture mounted on a Cooperative-owned 30-foot steel pole with a concrete base.
 - 1. 400 Watt High Pressure Sodium or Metal Halide
 - 2. 1,000 Watt High Pressure Sodium or Metal Halide

MONTHLY RATES

A. Security/Street Lights

<u>Wattage</u>	<u>Type</u>	<u>Initial Lumens</u>	<u>Monthly kWhs</u>	<u>Monthly Rate</u>
175	MV	7,500	70	\$ 9.94
100	HPS	9,500	46	\$ 9.94
250	HPS	22,500	104	\$ 18.54
400	HPS	50,000	158	\$ 23.38

B. Flood Lights

<u>Wattage</u>	<u>Type</u>	<u>Initial Lumens</u>	<u>Monthly kWhs</u>	<u>Monthly Rate</u>
400	HPS	50,000	158	\$ 23.38
1,000	MV	57,000	367	\$ 37.54
1,000	HPS	140,000	367	\$ 37.54
1,000	MH	110,000	367	\$ 37.54

SCHEDULE D -- Outdoor Lighting Service

C. Parking Lot Lights

<u>Wattage</u>	<u>Type</u>	<u>Initial Lumens</u>	<u>Monthly kWhs</u>	<u>Monthly Rate</u>
400	HPS	50,000	158	\$ 40.20
400	MH	36,000	158	\$ 40.20
1,000	HPS	140,000	367	\$ 65.35
1,000	MH	110,000	367	\$ 65.35

WHOLESALE POWER COST ADJUSTMENT

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Wholesale Power Adjustment Schedule "WPCA".

ADDITIONAL REQUIRED FACILITIES

The Cooperative will furnish one standard wood pole per luminaire. If more than one pole be required to provide service to a luminaire, the costs over that of installing the first pole shall be paid by the consumer as a non-refundable contribution-in-aid of construction. In the event the consumer desires a special pole, the Cooperative will compare the cost of a standard 30-foot wood pole towards the cost of the special pole. The difference of which will be paid by the consumer as a contribution-in-aid of construction. Any replacement costs for damages to special poles will be borne by the consumer.

If the providing of lighting service requires the installation of a distribution transformer used only for the lighting service, the consumer will pay that additional cost as a non-refundable contribution in aid of construction.

CONDITIONS OF SERVICE

The Cooperative will furnish all necessary equipment, including one pole per luminaire, maintenance, and service the equipment, including replacement of lamps and the furnishing of electricity to operate lamps.

SALES TAX

Any applicable State and Local Sales Taxes will be added to all service billed under this schedule.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE WPCA

Wholesale Power Cost Adjustment Clause

APPLICABILITY

The Wholesale Power Cost Adjustment Clause (WPCA) is applicable to all electric service supplied under the Cooperative's Retail Rate Schedules.

BILLING

The Cooperative may implement a Wholesale Power Cost Adjustment charge at such time as its actual or projected cost of power from its wholesale suppliers exceeds or is less than the cost of purchased power recovered in the Cooperative's retail rate schedules. The charge for each kilowatt-hour sold may be increased or decreased by an amount to the nearest one one-hundredth of a cent (\$.0001), determined by the use of the following formula:

$$\text{W.P.C.A.} = \frac{C - (B \times P) + D}{S}$$

Where:

C = Total projected cost of purchased power expense for the succeeding twelve-month period.

B = \$0.07317 = Base cost of purchased power recovered through the Cooperative's retail rates.

P = The total projected kilowatt-hours purchased for the succeeding twelve-month period.

D = The total accumulated difference between the Cooperative's WPCA charges and the Purchased Power Costs applicable to this clause through the end of the prior month.

S = The total projected kilowatt-hours sold for the succeeding twelve-month period.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

RIDER REPS-2017/2018 Renewable Energy Portfolio Standard Rider

APPLICABILITY

Service under this Rider is applicable to all retail consumers of the Cooperative for the recovery of the Cooperative's incremental costs associated with meeting their Renewable Energy Portfolio Standard (REPS) pursuant to North Carolina General Statute 62-133.8 and NCUC Rule R8-67.

This Rider is not for resale service. The provisions of the Schedule with which this Rider is used are modified only as shown herein. Service rendered under this Rider is subject to the provisions of the Cooperative's Service Rules and Regulations on file with the state regulatory commission.

MONTHLY RATE

In addition to all other charges stated in the Monthly Rate of the Schedule with which this Rider is used, the following charges shall also apply:

<u>Revenue Class</u>	<u>REPS Rate</u>	<u>REPS EMF</u>	Total
			<u>Monthly Rate</u>
Residential (Applicable to accounts 440, 440.1, and 440.2)	\$ 0.99	(\$ 0.25)	\$ 0.74
Commercial (Applicable to accounts 441, 442.1, 444, and 445)	\$ 4.38	(\$ 1.12)	\$ 3.26
Industrial (Applicable to account 442.2)	\$ 29.20	(\$ 7.44)	\$ 21.76

DEFINITIONS

1. Renewable Energy Portfolio Standard (REPS) Rate – The REPS Rate shall be adjusted annually to reflect the incremental and development costs the Cooperative anticipates incurring for the upcoming year to comply with the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard divided by the weighted number of consumers projected in each revenue class over the same twelve month period.
2. Renewable Energy Portfolio Standard Experience Modification Factor (REPS EMF) – The REPS EMF is a rate calculated annually to recover the difference between reasonably and prudently incurred REPS costs and REPS revenues realized during the period under review.

APPLICABLE TAXES

The total charges under the Rider will be increased by applicable sales taxes imposed by any governmental authority.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

RIDER SQF

Small Qualifying Facilities Purchased Power

AVAILABILITY

Available only to consumers located in the Cooperative's service territory which have qualifying facilities fueled by trash or methane derived from landfills, hog waste, or poultry waste, or other generating facilities contracting to sell generating capacity and energy not in excess of 25 kW, which are interconnected directly with the Cooperative's system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978.

Service necessary for the delivery of the consumer's power into the Cooperative's system under this Schedule shall be furnished solely to the individual contracting consumer in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to the capacity of the consumer's generating facilities which may be operated in parallel with the Cooperative's system. Service necessary to supply the consumer's Auxiliary Load when the consumer's generating facilities are not operating, shall be billed at the Cooperative's applicable rate schedule and increased or decreased in accordance with the Wholesale Power Cost Adjustment Rider. Power delivered to the Cooperative under this Schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other schedule of the Cooperative.

The obligations of the Cooperative in regard to service under this Schedule are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, and permits for such service. The Cooperative shall not be liable to any consumer or applicant for power in the event it is delayed in, or is prevented from purchasing power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and permits.

TYPE OF SERVICE

Service shall be provided at one point of delivery through a single meter at one of the following voltages. Standard service shall be single-phase, 120/240 Volts, and 60 Hz. Three-phase service may be provided where available. Where three-phase service is available, voltages may be:

208/120 Volts, 4-Wire wye

480/277 Volts, 4-Wire wye

Service at other voltages may be available, at the option of the Cooperative.

RIDER SQF -- Small Qualifying Facilities Purchased Power

MONTHLY RATE

Facility Charge: \$ 3.75 per month

Energy Credit:

All Energy per Month: 5.431¢ per kWh

DEFINITIONS

1. Nameplate Capacity: The term “Nameplate Capacity” shall mean the maximum continuous electrical output capability of the generator(s) at any time at a power factor of ninety-seven percent (97%).
2. Capacity: The term “Capacity” shall mean the Nameplate Capacity of the member’s generating facilities, less the portion of that capacity needed to serve the generating facilities’ Auxiliary Load.
3. Auxiliary Load: The term “Auxiliary Load” shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).
4. Month: The term “Month” as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing, such readings being taken once per month.

INTERCONNECTION FACILITIES CHARGE

The member shall be responsible for providing suitable control and protective devices on their equipment to assure no disturbance to other members of the Cooperative or to the Cooperative itself, and to protect the member’s facilities from all loss or damage which could result from operation with the Cooperative’s system. All interconnection equipment, including control and protective devices, must meet or exceed the National Electric Code (NEC), National Electric Safety Code (NESC), and Institute of Electrical and Electronics Engineers (IEEE) Standards.

The Cooperative will furnish, install, own, and maintain all distribution, service, and interconnection related facilities necessary on the line side of the meter in order for the member to receive service under this Schedule. Interconnection facilities include suitable control and protective devices installed on Cooperative equipment to allow operation of the member’s generating facilities; metering facilities equipped to prevent reverse registration for the measurement of service under this Schedule; and any other modifications to its system required to serve the member under this Schedule as determined by the Cooperative.

The costs for any distribution, service, and/or interconnection related facilities installed by the Cooperative for the sole purpose of connecting the member’s qualifying facility to the Cooperative’s system shall be paid for by the member prior to the Cooperative installing any facilities.

RIDER SQF -- Small Qualifying Facilities Purchased Power

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the member to the Cooperative is less than 97 percent or greater than 100 percent, the Cooperative may correct the energy, in kilowatt-hours, as appropriate. The Cooperative reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Cooperative.

TERMS OF PAYMENT

Payment is due within twenty-five (25) days from date of bill. Bills not paid within this time period will be subject to collection procedures as specified in the Cooperative's rules and regulations.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

RIDER GP-1

NC GreenPower Program

AVAILABILITY

This Rider is available on a voluntary basis in conjunction with any of the Cooperative's Schedules for a Consumer who contracts with the Cooperative for a block or blocks of electricity produced from Renewable Resources provided through the NC GreenPower Program.

The maximum number of consumers served under this Rider shall be determined by the maximum number of blocks of electricity available through the NC GreenPower Program.

This Rider is not for temporary service or for resale service. The provisions of the Schedule with which this Rider is used are modified only as shown herein. Service rendered under this Rider is subject to the provisions of the Cooperative's Service Rules and Regulations on file with the state regulatory commission.

MONTHLY RATE

In addition to all other charges stated in the Monthly Rate of the Schedule with which this Rider is used, the following charge shall also apply to each block the Consumer purchases:

\$ 4.00 per block

This Rider's Monthly Rate shall be applied to Consumer's billing regardless of Consumer's actual monthly kilowatt-hour consumption.

While taking service under this Rider, the Consumer may change the number of monthly blocks purchased once during each year unless otherwise authorized by the Cooperative.

DEFINITIONS

3. Block of Electricity

A block of electricity is equal to 100 kWh.

4. Renewable Resources

For purposes of this tariff, Renewable Resources are those renewable resources included in the NC GreenPower Program, which include such renewable resources as solar, wind, small hydro, and biomass placed in service after January 1, 2001 and used to generate electricity delivered to the electric grid in North Carolina.

SPECIAL CONDITIONS

The actual amount of electricity provided by Renewable Resources under this Rider to the statewide electricity grid in North Carolina during any specific month may vary from the number

RIDER GP-1 – NC GreenPower Program

of blocks consumers have purchased. However, a true-up of the delivery of the blocks to the purchase of blocks shall be completed within two years of the purchase.

The electricity purchased or produced from the Renewable Resources may not be specifically delivered to Consumer, but will displace electricity that would have otherwise been produced from traditional generating facilities for delivery to consumers within the State of North Carolina. This electricity shall be provided to the electricity grid.

DISTRIBUTION OF RIDER FUNDS

Charges under this Rider will be used to offset the higher cost of producing, purchasing, and/or acquiring Renewable Resources.

The funds, less applicable taxes, collected from consumers under this Rider will be distributed as follows:

1. To the North Carolina Advanced Energy Corporation, hereafter called “NCAEC”, a nonprofit corporation, for the operational and administrative costs of the NCAEC necessary to administer and promote the state-wide NC GreenPower Program, and
2. To the NCAEC who will provide incremental payments to the generators of the Renewable Resources selected by the NCAEC for the participation in the NC GreenPower Program.

CONTRACT PERIOD

The Consumer or Cooperative may terminate service under this Rider by giving the other party at least thirty (30) days prior notice.

GENERAL

Circumstances and/or actions that may cause the Cooperative to terminate the availability of this Rider include, but are not limited to:

1. The retail supply of electric generation is deregulated;
2. The Cooperative’s participation in the statewide NC GreenPower Program is terminated;
3. The statewide NC GreenPower Program is terminated; or
4. Other regulatory and/or legislative action supersedes or contravenes the Rider or the NC GreenPower Program.

APPLICABLE TAXES

The total charges under the Rider will be increased any applicable sales taxes imposed by any governmental authority.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

RIDER REN-1

NC GreenPower Program

AVAILABILITY

This Rider is available on a voluntary basis in conjunction with any of Cooperative's nonresidential service schedules for a Consumer who contracts with the Cooperative for a minimum of 100 blocks of electricity produced from Renewable Resources provided through the statewide NC GreenPower Program.

The maximum number of customers served under this Rider shall be determined by the maximum number of blocks of electricity available through the NC GreenPower Program.

This Rider is not available for temporary or for resale service. The provisions of the Schedule with which this Rider is used are modified only as shown herein. Service rendered under this Rider is subject to the provisions of the Cooperative's Service Rules and Regulations on file with the state regulatory commission.

MONTHLY RATE

In addition to all other charges stated in the Monthly Rate of the Schedule with which this Rider is used, the following charge shall also apply to each block the Consumer purchases:

\$ 2.50 per block

The minimum monthly charge shall be a charge for 100 blocks of electricity.

This Rider's Monthly Rate shall be applied to Consumer's billing regardless of Consumer's actual monthly kilowatt-hour consumption.

DEFINITIONS

1. Block of Electricity

A block of electricity is equal to 100 kWh.

2. Renewable Resources

For purposes of this tariff, Renewable Resources are those renewable resources included in the NC GreenPower Program, which include such renewable resources as solar, wind, small hydro, and biomass and used to generate electricity delivered to the electric grid in North Carolina.

SPECIAL CONDITIONS

The actual amount of electricity provided by Renewable Resources under this Rider to the statewide electricity grid in North Carolina during any specific month may vary from the number of blocks consumers have purchased. However, a true-up of the delivery of the blocks to the purchase of blocks shall be completed within two years of the purchase.

RIDER REN-1 – NC GreenPower Program

The electricity purchased or produced from the Renewable Resources may not be specifically delivered to Consumer, but will displace electricity that would have otherwise been produced from traditional generating facilities for delivery to consumers within the State of North Carolina. This electricity shall be provided to the electricity grid.

DISTRIBUTION OF RIDER FUNDS

Charges under this Rider will be used to offset the higher cost of producing, purchasing, and/or acquiring Renewable Resources.

The funds, less applicable taxes, collected from consumers under this Rider will be distributed as follows:

1. To the North Carolina Advanced Energy Corporation, hereafter called “NCAEC”, a nonprofit corporation, for the operational and administrative costs of the NCAEC necessary to administer and promote the state-wide NC GreenPower Program, and
2. To the NCAEC who will provide incremental payments to the generators of the Renewable Resources selected by the NCAEC for the participation in the NC GreenPower Program.

CONTRACT PERIOD

The initial Contract Period under this Rider shall be one (1) year. After the initial period, the Consumer or Cooperative may terminate service under this Rider by giving the other party at least thirty (30) days prior notice.

GENERAL

Circumstances and/or actions that may cause the Cooperative to terminate the availability of this Rider include, but are not limited to:

1. The retail supply of electric generation is deregulated;
2. The Cooperative’s participation in the statewide NC GreenPower Program is terminated;
3. The statewide NC GreenPower Program is terminated; or
4. Other regulatory and/or legislative action supersedes or contravenes the Rider or the NC GreenPower Program.

APPLICABLE TAXES

The total charges under the Rider will be increased any applicable sales taxes imposed by any governmental authority.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

RIDER COG

Customer-Owned Generation Rider

AVAILABILITY

This Rider is available, on a voluntary basis and in conjunction with the Cooperative's Retail Rate Schedules, to retail consumers located in the Cooperative's service territory that own and operate a generating unit(s) that can be called upon from time to time by the Cooperative's wholesale power supplier, as an additional generation resource. There is no minimum amount of generation or load drop required to participate in the Cooperative's Customer-Owned Generation (COG) Program, but the maximum number of consumers and/or load served under this Rider may be limited by the Cooperative's wholesale power supplier.

In addition to all the other provisions of the applicable rate schedule the consumer normally receives service under, the following provisions shall apply:

1. Consumers served under this Rider may not use their generation for peak shaving purposes and must agree to have their generators automatically dispatched by the Cooperative.
2. All load served under this Rider will be required to have metering that is capable of measuring the consumer's load in fifteen-minute intervals. If the consumer's load is greater than 500 kW, an additional meter on the generator will be required to verify the generation produced by the generator during a COG event. This meter must also be capable of capturing fifteen-minute interval data.
3. Prior to being accepted into the COG program, a generator must pass Automation Qualification Test. Under this test, the Cooperative must demonstrate its ability to automatically start and stop the consumer's generation from a remote location and demonstrate that it can successfully transfer the fifteen-minute interval meter data from the Cooperative's metering system to their power supplier's Control Data and Settlement System (CDSS).
4. The COG program is structured similar to a call option for power with limits on run times and total hours of operation each year. The operating parameters include the following:
 - Minimum of sixty (60) minutes notification prior to a COG event;
 - Minimum run time of one (1) hour per unit;
 - Maximum run time of eight (8) hours per unit; and
 - Maximum dispatch will not exceed sixty (60) total hours per calendar year.

Consumer's subscribing to the Cooperative's COG program must agree not to have their generator(s) down for scheduled maintenance during the months of June, July, or August.

RIDER COG -- Customer-Owned Generation Rider

MONTHLY RATE

The consumer shall be billed under their applicable Rate Schedule of the Cooperative as appropriate based upon the size of their load, plus any charges and credits outlined in this Rider:

Demand Credit: \$ 4.25 per kW

Energy Credit: Calculated based on actual run time, fuel price index, and standard heat rate.

DEMAND CREDIT

The Demand Charge Credit will be paid monthly even if the consumer's generator is not called upon to perform in the month the credit is being paid. The monthly demand the credit is applied to, shall be the lesser of:

1. The Guaranteed Load Drop (GLD), which is the amount of load the generation owner commits to remove from the Cooperative's distribution system when a COG event is called; or
2. The full Nameplate Capacity of the generator.

If the actual load drop is less than 95% of the GLD during a COG event, the credit going forward will be based on the actual amount of load dropped, unless the consumer can demonstrate through a COG test that the COG can deliver the GLD amount. In this case, the Cooperative and consumer may arrange for a test COG event to verify the amount of load the consumer can take off line under normal circumstances. This test will be done at the consumer's expense. If the test results in a deviation of more than 5% from the subscribed capacity amount, the capacity credits for the remainder of the year will be adjusted to reflect the new subscribed amount.

ENERGY CREDIT

In the month that the consumer's generation is used to control load on the Cooperative's system, the consumer will receive an energy credit based upon the amount of load that was dropped due to the consumer's generator. For loads less than 500 kW, the energy amounts will be estimated based upon typical load curves derived from the 15-minute interval data collected from load meters for the consumer on days the generator was not in use. For loads greater than 500 kW, metering is required and the consumer shall be reimbursed based upon actual kWh energy that the generator produced.

The energy credit will be based upon a standard heat rate of 12,000 Btu/kWh and a fuel price index. The fuel price index used will be the Lower Atlantic (PADD 1C) Diesel (On-Highway) Ultra Low Sulfur as found on the EIA Petroleum and Other Liquids website (<http://www.eia.gov/petroleum/gasdiesel/>) for the week the generator was dispatched.

RIDER COG -- Customer-Owned Generation Rider

SUBSCRIPTION PROCESS

For 2013:

There is an “Open Season” process to enroll Existing COG. The deadline for enrolling Existing COG is December 12, 2012. Any COG enrolled after that date will be considered Additional COG and be subject to an allocation process which limits the amount of COG the Cooperative may subscribe to the program.

In addition to the enrollment process, there is an Automation Qualification deadline for the remote starting and stopping of the generator(s) and the electronic data transfer between the Cooperative’s metering system and their wholesale power supplier’s CDSS. The deadline for the Automation Qualification is May 1, 2013.

Generators enrolled by December 12, 2012 will begin receiving capacity credits beginning on the January 2013 bill, which will be rendered in February. If the generator(s) has not yet passed the Automation Qualification the consumer must work with the Cooperative in developing a written Manual Dispatch Plan to be used until the Automation Qualification is completed.

For 2014 and beyond:

Consumers wishing to enroll or remain in the program must notify the Cooperative by October 15 of each year for the upcoming calendar year. Each new generator being subscribed to the program must demonstrate Automation Qualification by December 1, in order to participate in the program in the upcoming year.

SUBSCRIPTION ADJUSTMENTS

If a member currently in the Cooperative’s COG Program wishes to adjust the amount they have subscribed to the program there will be only one opportunity per year to increase the capacity subscribed and multiple opportunities to decrease their subscribed amount. Consumers wishing to increase their subscription amount must notify the Cooperative prior to October 15 for the upcoming calendar year. Increases will take effect in January of the following year. Depending upon the Cooperative’s allocation from their wholesale power supplier, the Cooperative may or may not be able to grant the request for increases in the amount of generation the consumer wishes to add to the program. Requests will be handled on a first-come first-serve basis. If the Cooperative is unable to meet the request, the consumer will be notified by November 15.

If the consumer wishes to decrease their subscription amount, the consumer may notify the Cooperative prior to October 15 of any year that they wish to withdraw or subscribe a lesser amount of COG for the upcoming calendar year. If during the commitment year, the consumer realizes they cannot meet their full obligation; their Guaranteed Load Drop can be adjusted by providing 30 days written notice to the Cooperative.

SALES TAX

Any applicable State and local taxes will be added to all services billed under this rider.

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION

Electric Rates

SCHEDULE LQF

Large Qualifying Facilities Power Producer

AVAILABILITY

Service under this schedule is available to customers who have an Eligible Qualifying Facility with a nameplate capacity greater than 25 kW interconnected directly with the Cooperative's system and who have contracted to sell generating capacity and energy to the Cooperative. The maximum size of a generator interconnected to the Cooperative's system will be limited by the impact the generator will have on the Cooperative's system based upon its location on the system and the results of an Engineering Study commissioned by the Cooperative and paid for by the customer. In order to be considered an Eligible Qualifying Facility the generator must be hydroelectric or fueled by trash or methane derived from landfills, hog waste, poultry waste, non-animal biomass, solar, or wind and meet the definition of a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket RM79-54.

Service necessary for the delivery of the customer's power into the Cooperative's system under this schedule shall be furnished solely to the individual contracting customer in a single enterprise, located entirely on a single, contiguous premise. Service hereunder shall be restricted to the capacity of the customer's generating facility operated in parallel with the Cooperative's system. Service necessary to supply the customer's total load requirements other than Auxiliary Load, and service necessary to supply the customer's Auxiliary Load when the customer's generating facilities are not operating, shall be billed on the applicable rate schedule(s) of the Cooperative. Power delivered to the Cooperative under this schedule shall not offset or be substituted for power contracted for or which may be contracted for under any other rate schedule of the Cooperative. Prior to receiving service under this schedule the customer must have a signed "Standard Interconnection Agreement" between the customer and the Cooperative.

The obligations of the Cooperative in regard to service under this schedule are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, and permits for such service. The Cooperative shall not be liable to any customer or applicant for power in the event it is delayed in, or is prevented from purchasing power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and permits. Customers receiving service under this schedule must have their renewable generation registered with the North Carolina Utilities Commission prior to connecting to the Cooperative's system.

If the customer requires supplemental, standby, or interruptible service, the customer shall enter into a separate service agreement with the Cooperative in accordance to the Cooperative's applicable electric rates, riders, and established Service Rules and Regulations as filed with the North Carolina Utilities Commission.

SCHEDULE LQF -- Qualifying Facilities Power Producer

CHARACTER OF SERVICE

Service shall be provided at one point of delivery through a single meter at one of the following voltages. Standard service shall be single-phase, 120/240 Volts, and 60 Hz. Three-phase service may be provided where available at 208/120 Volts or 480/277 Volts. Other voltages may be available with prior approval of the Cooperative.

MONTHLY RATE

Administrative Charges:	
26 – 100 kW (nameplate capacity)	\$ 5.00 per month
Over 100 kW nameplate capacity)	\$ 120.00 per month

Energy Credit¹

All Energy per Month:	4.60 ¢ per kWh
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- ¹ If the capacity of the customer's generator is less than 500kW, the energy output from the generator will be credited to the customer by the Cooperative at the energy credits shown above. If the capacity of the customer's generator is 500kW or above, the energy output of the generator will be purchased by Cooperative's wholesale power provider at its avoided cost.

INTERCONNECTION FACILITIES CHARGE

The customer shall be responsible for providing suitable control and protective devices on their equipment to assure no disturbance to other customers of the Cooperative or to the Cooperative itself and for protecting the customer's facilities from all loss or damage which could result from operation with the Cooperative's system. All interconnection equipment, including control and protective devices, must meet or exceed the National Electric Code (NEC), National Electric Safety Code (NESC), and Institute of Electrical and Electronics Engineers (IEEE) Standards.

The Cooperative will install, own, and maintain all distribution, service, and interconnection related facilities necessary for service under this schedule. Interconnection facilities include suitable control and protective devices installed on Cooperative equipment to allow operation of the customer's generating facilities; metering facilities equipped to prevent reverse registration for the measurement of service under this schedule; and any other modifications to its system required to serve the customer under this schedule as determined by the Cooperative.

Prior to installation, the customer shall be responsible for paying the Cooperative a contribution-in-aid of construction equal to the estimated installation cost of all distribution, service, metering, and interconnection related facilities that must be installed by the Cooperative to serve the generator. All such facilities shall be subject to a monthly Interconnection Facilities Charge which shall be:

1. The installed cost of the Cooperative's facilities necessary to serve the generator times 1.0% per month or

SCHEDULE LQF -- Qualifying Facilities Power Producer

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the customer to the Cooperative is less than 95 percent lagging or less than 100 percent leading, the Cooperative may correct the energy, in kilowatt-hours, as appropriate. The Cooperative reserves the right to install facilities necessary for the measurement and correction of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Cooperative.

RENEWABLE ENERGY CERTIFICATES

Payments and/or credits for Renewable Energy Certificates (RECs) and any environmental attributes produced as a result of the energy generated by the renewable generation shall be negotiated between the customer and the Cooperative on a case-by-case basis, with the Cooperative having the first right of refusal. The negotiated price shall be based upon the type of generation and the market for similar certificates at the time the generation comes online. Customers receiving compensation for RECs from the Cooperative shall not be eligible to participate in NC GreenPower's renewable generation program.

DEFINITIONS

Nameplate Capacity: The term "Nameplate Capacity" shall mean the maximum continuous electrical output capability of the generator(s) at a power factor of ninety-seven percent (95%).

Capacity: The term "Capacity" shall mean the Nameplate Capacity of the customer's generating facilities, less the portion needed to serve the generating facilities' Auxiliary Load.

Auxiliary Load: The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the facility necessary for power generation (pumps, blowers, fuel preparation machinery, excitors, etc.).

Month: The term "Month" shall mean the period intervening between meter readings for the purposes of monthly billing.

PAYMENTS

Credit billings to the customer shall be payable to the customer within twenty-five (25) days of the date of the scheduled meter reading.

SALES TAX

Any applicable State and local sales taxes will be added to all services billed under this schedule.

RATE UPDATES

Administrative Charges and Energy Credits of this schedule may be updated on an annual basis. Any changes in the Energy Credits will be based upon changes in the avoided cost of the Cooperative's wholesale power supplier.

SCHEDULE LQF -- Qualifying Facilities Power Producer

CONTRACT PERIOD

Contracts under this schedule shall specify the amount of capacity committed for delivery throughout the term of the contract and shall have a minimum initial term five (5) years.

The Cooperative reserves the right to terminate the contract under this schedule upon written notice to the customer in the event that the customer violates any of the terms or conditions of this schedule, operates its generating facilities in a manner which is detrimental to the Cooperative or any of its customers, or fails to deliver energy to the Cooperative for six (6) consecutive months. In the event of early termination of a contract under this schedule, the customer may be required to pay the Cooperative for costs due to such early termination.