

BOARD OF PUBLIC UTILITIES, CITY OF McPHERSON, KANSAS
Electric Service Schedule

PGC-17: Parallel Generation Contract

Sheet 1 of 4

Availability:

Electric service is available under Schedule PGC-11 at points on the existing distribution facilities of the McPherson BPU located within the Board's entire electric service territory in accordance with the Board's Terms and Conditions or Billing Practices for providing electric service.

Application:

To an RES-11, RAE-11, AEC-11, GSS-11, GSM-13, or GSL-13 customer that contracts for electric service supplied at one point of delivery where part or up to 100% of the customers anticipated electric load can be supplied from a source or sources other than the McPherson BPU, and where such sources are connected for parallel operation of the customer's system with the system of the McPherson BPU. Customer sources may include, but are not limited to: wind turbines, water wheels, solar conversion, and geothermal devices.

Schedule PGC-17 is not applicable to breakdown, standby, or resale electric service.

Character of Service:

Alternating current and alternating voltage of nominally sinusoidal waveshapes, sixty (60) cycles, at the voltage and phase of the McPherson BPU's established secondary distribution system most available to the service location.

Monthly Charges:

For capacity and energy supplied by the McPherson BPU to the customer, the applicable rate shall apply.

- For energy supplied by the customer to the McPherson BPU, the rate shall be:
\$0.0200 per kWh for all kWh plus the Board's applicable Energy Adder Adjustment except, for renewable energy supplied by the customer to the McPherson BPU, the rate shall be 150% of the above.
- For reactive energy supplied by the McPherson BPU to the customer's generating equipment:
\$0.0022 per kVARh

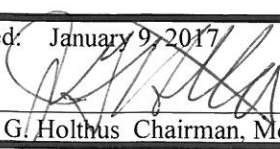
To determine kVARh per month, utility supplied vars will be measured over a fifteen (15) minute period that the generator is operating at less than thirty percent (30%) of its maximum capacity. That kVAR requirement will be multiplied by the hours of operation based on; (a) monthly kWh generated at sixty percent (60%) of generator capacity or (b) a time clock to record hours of generator operation.

Payment Information:

The applicable rate schedule minimum shall apply.

Bills are due and payable upon receipt; if not paid within twenty-six (26) days from billing date, the bill becomes delinquent. When a bill becomes delinquent, a late payment charge in an

Issued: January 9, 2017 Effective: January 10, 2017


John G. Holthus, Chairman, McPherson BPU

BOARD OF PUBLIC UTILITIES, CITY OF McPHERSON, KANSAS
Electric Service Schedule

PGC-17: Parallel Generation Contract

Sheet 2 of 4

amount equal to two percent (2%) of the delinquent amount owed for current utility service will be added to the customer's bill.

Other Terms and Conditions:

1. The McPherson BPU will supply, own, and maintain all necessary meters and associated equipment utilized for billing. In addition, and for purposes of monitoring customer generation and load, the McPherson BPU may install at its expense, load research metering. The customer shall supply, at no expense to the McPherson BPU, a suitable location for meters and associated equipment used for billing and for load research.
2. The McPherson BPU shall have the right to require the customer, at certain times and as electrical operating conditions warrant, to limit the production of electrical energy from the generating facility to an amount no greater than the load at the customer's facility of which the generating facility is a part.
3. The customer shall furnish, install, regularly test, and reliably maintain in good order and repair, all without cost to the McPherson BPU, all manual and automatic control and protective equipment that shall be designated by the Board as suitable and necessary for the safe operation of the customer's generating equipment in parallel with the Board's system.

The control and protective equipment will be that which the McPherson BPU deems necessary and essential for the safety of the Board personnel and of the public: for the protection of communication, signaling, control, computer and power equipment and systems belonging to the Board; to other customers of the Board, and to other utilities, corporations or persons.

The McPherson BPU disclaims and the customer agrees to indemnify the Board for any liability for personal injury or property damage resulting from the customer co-generation unit, notwithstanding that the Board may have required particular control and protective equipment.

The particular control and protective equipment to be required in each installation, as a part of the customer's paralleled generating plant, will be determined in each case by the specific type of generating equipment that the individual customer plans. The control and protective equipment may include, for example, relays, interlocks and seals, overcurrent protection, circuit breakers, automatic synchronizing equipment, and filtering or suppression equipment for power harmonics.

In addition, the McPherson BPU will install, own and maintain a disconnecting device in the interconnection. The disconnecting device shall be located near the electric metering installation, shall be capable of being locked in the open position, and shall be accessible at all times to McPherson BPU personnel. The disconnecting device shall be used by the McPherson BPU For normal operating circumstances such as at times of dead-line work on the Board's system.

Issued: January 9, 2017 Effective: January 10, 2017

John G. Holthus, Chairman, McPherson BPU

BOARD OF PUBLIC UTILITIES, CITY OF McPHERSON, KANSAS
Electric Service Schedule

PGC-17: Parallel Generation Contract

Sheet 3 of 4

In the event that the McPherson BPU, its other customers, or other utilities experience problems of the types that could be caused by the presence of alternating currents or voltages of frequencies higher than sixty (60) Hertz, the Board shall be permitted to open and lock the interconnection switch pending a completed investigation of the problem. When the McPherson BPU believes the condition creates a hazard to the public safety or to property of any ownership, the disconnection may be made without prior notice.

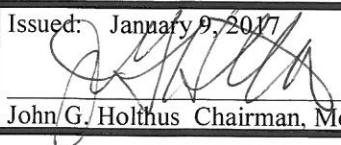
The customer may be required to reimburse the McPherson BPU for any equipment or facilities required as a result of the installation by the customer of generation in parallel with the Board's service.

The customer shall notify the McPherson BPU prior to the initial energizing and start-up testing of the customer owned generator, and the Board shall have the right to have a representative present at said test. When acceptance testing for harmonic pollution of the McPherson BPU's system is indicated, because of the type of the customer-owned generating equipment, the Board shall furnish an oscilloscope and connect it to observe the waveshapes of voltage and current flow in the interconnection.

4. The McPherson BPU requires a special contract for conditions related to technical and safety aspects of parallel generation.
5. This schedule is not applicable to a residential customer who owns a renewable generator with a capacity greater than 25 kilowatts or to a commercial customer who owns a renewable generator with a capacity greater than 200 kilowatts. This schedule is not applicable where the customer's maximum capacity exceeds two hundred (200) kW.
6. Individual motor units rated at more than five horsepower shall be three phase (when three phase service is supplied), unless otherwise agreed upon prior to installation.
7. Individual motor units rated at ten (10) horsepower or more shall have starting equipment satisfactory to the McPherson BPU.
8. Customer-owned generating plants of five kVA and larger ratings shall be three phase (when three phase service is supplied), unless otherwise agreed upon prior to installation.
9. The entire installation, including the paralleled generating plant of the customer, shall conform to all, applicable requirements of the issues in effect at the time of installation of the National Electrical Code, ANSI Standard C1, and the National Electrical Safety Code, ANSI Standard C2.
10. Service hereunder is subject to the McPherson BPU's General Terms and Conditions on file with the State Corporation Commission of the State of Kansas.

Issued: January 9, 2017

Effective: January 10, 2017


John G. Holthus Chairman, McPherson BPU

BOARD OF PUBLIC UTILITIES, CITY OF McPHERSON, KANSAS
Electric Service Schedule

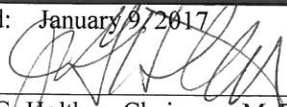
PGC-17: Parallel Generation Contract

Sheet 4 of 4

Notes:

1. Effective January 1, 2017, electric service Schedule PGC-11 shall be replaced by PGC-17. Customers billed from Schedule PGC-1 before January 1, 2017, shall then be billed from Schedule PGC-17 moving forward.

Issued: January 9, 2017 Effective: January 10, 2017


John G. Holthus Chairman, McPherson BPU