

CITIZENS ELECTRIC CORPORATION
Ste. Genevieve, Missouri

Board Policy No. 610

SUBJECT: PURCHASES FROM QUALIFIED NET METERING UNITS (SYSTEMS WITH CAPACITY OF 100 kW OR LESS)

I. OBJECTIVE

- A. To establish guidelines and procedures for implementing Missouri's "Net Metering and Easy Connection Act" as set forth at Section 386.890 of the Revised Statutes of Missouri.
- B. To establish a simple contract to be used for interconnection and net metering so as to be in compliance with Section 386.890 RSMo. Supp. 2007.

II. CONTENT

- A. The Corporation shall make net metering available to member-generators on a first-come, first-served basis until the total rated generating capacity of net metering systems equals five percent of the Corporation's single-hour peak load during the previous year. However, in any given calendar year, the Corporation shall not approve any Application and Agreement for Interconnection when the total rated generating capacity of all applications already approved to date by the Corporation in such calendar year equals or exceeds one percent of the Corporation's single-hour peak load for the previous calendar year.
- B. In a manner and method left to their discretion, the staff of the Corporation shall, no less than annually, disclose the availability of net metering to each member of the Corporation.
- C. The Corporation shall not impose any fee or charge to member-generators unless the same fee or charge applies to other members who are not member-generators.
- D. No member shall connect or operate an electric generation unit in parallel phase and synchronization with the Corporation's electric system without the Corporation's prior written approval to said member. Any member who fails to obtain prior written approval for connection and operation of an electric generation unit in parallel phase and synchronization shall be subject to immediate disconnect, without notice, of both the interconnected electric facilities and the member's electric service to their premises.
- E. A member assuming ownership or control of an existing interconnected generation unit shall file a new application with the Corporation and during the

CITIZENS ELECTRIC CORPORATION

Board Policy No. 610

Page 2 of 11

interim period between assuming ownership or control and receiving written approval, such member and/or the Corporation shall disconnect the generation unit from the Corporation's electrical system.

- F. The Corporation's application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions.
- G. The staff of the Corporation shall submit to the Board of Directors annually a report on net metering. The report shall at a minimum contain the following information for the previous calendar year:
 - 1. The total number of member-generator facilities;
 - 2. The total estimated generating capacity of all interconnected member-generators; and
 - 3. The total estimated net kilowatt-hours received from member-generators.
- H. The Board of Directors hereby adopts the form of "Application and Agreement for Interconnection and Net Metering of Systems with Capacity of 100 kW or Less", attached hereto and incorporated herein by referenced.

III. RESPONSIBILITY

- A. The management and staff of the Corporation are responsible for the administration of this Policy.

APPROVED:

/s/ John F. Lottes III
President of the Board

8-20-2009
Date

**APPLICATION AND AGREEMENT FOR INTERCONNECTION AND NET
METERING OF SYSTEMS WITH CAPACITY OF 100 kW OR LESS**

CEC Use Only:

RECEIVED: _____

BY: _____

PROCEDURES:

I. Members Applying for New Interconnection/Submission of Plans/Specifications.

Complete Sections **A, B, C, D, F** and **G**, attach all required documents, plans, diagrams, etc. as required by the applicable section(s) of this Application and Agreement, and return to Mr. Thomas Borowiak, VP – Engineering, Citizens Electric Corporation, P.O. Box 311, Ste. Genevieve, Missouri 63670.

If the rated output of the proposed Member-Generator’s System is less than 10 kW, you will be provided with an approval or denial of this Application and Agreement within thirty (30) days of receipt by Citizens Electric Corporation (the “Corporation”). If the rated output of the Member-Generator System is more than 10 kW but less than 100 kW, you will be provided with an approval or denial of this Application and Agreement within ninety (90) days of receipt by the Corporation. If this Application and Agreement is denied, you will be provided with the reason(s) for the denial. Applications for a Member-Generator System with a rated output of 100 kW or more will be considered on a case-by-case basis, will require an interconnection study to be performed at the Member-Generator’s sole cost, and will be subject to a separate contract with different terms and conditions.

II. Members Having Received Approval of Application and Submitted Plans/Specifications.

Construct the Member-Generator System in compliance with the approved plans and specifications set forth in the Application and Agreement. After construction is finished, complete Section **H**, and re-submit this Application and Agreement to the Corporation for review and final approval (Section **I**).

Upon receipt of a completed Application and Agreement (including Section **H**) and payment of any applicable costs or other aid to construction, the Corporation will interconnect the Member-Generator’s System to the Corporation’s electrical system within fifteen (15) business days if electric service already exists to the premises or no later than fifteen (15) business days after service is established to the premises, unless the Member-Generator and the Corporation mutually agree to a later date.

III. Member Assuming Ownership or Operational Control of an Existing Interconnected Member-Generator System.

Complete Sections **A, B, C, D, F, G** and **H**, attach all required documents, diagrams, etc. as required by the applicable section(s) of this Application and Agreement and return to the Corporation for review and final approval (Section **I**).

INTERCONNECTION REQUEST

Section A. Member-Generator's Information

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Service/Street Address (if different from above): _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Fax: _____ E-Mail: _____

Cell Phone: _____ Emergency Contact Phone: _____

Section B. Member-Generator's System Information

Corporation Account No. (from Electric Bill): _____

Manufacturer's Name Plated Output: AC Power Rating: (rated) _____ kW; (max) _____ kW
Voltage: _____ Volts

System Type: Solar ___ Wind ___ Biomass ___ Fuel Cell ___ Other (describe) _____

Service/Street Address: _____

Inverter/Interconnection Equipment Manufacturer: _____

Inverter/Interconnection Equipment Model No.: _____

Are Required Wiring Diagram, System Plans & Specifications Attached? Yes _____ No _____

Inverter/Interconnection Equipment Location (describe): _____

Outdoor Manual / Utility Accessible & Lockable Disconnect Switch Location (describe):

Location and Description of Automatic Mechanism to Disable the System and Prevent Back-feed:

Existing Electrical Service Capacity: _____ Amperes Voltage: _____ Volts

Service Character: Single Phase _____ Three Phase _____

Section C. Installation Information

County / City Permit Number (if applicable): _____

Person or Company Installing: _____

Contractor's License No. (if applicable): _____

Approximate Installation Date: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Fax: _____ E-Mail: _____

Cell Phone: _____ Emergency Contact Phone: _____

Section D. Installation Compliance

Qualified Professional Electrician or Engineer Who Will Inspect/Certify Installation:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____ Email: _____

Section E. Terms and Conditions

In addition to abiding by the Corporation's Bylaws, rules, policies and regulations, Member-Generator, by completing and signing this Application and Agreement, agrees to comply with the following specific terms and conditions:

1. Required Documentation. Member-Generator shall provide a site specific wiring diagram, the plans and specifications describing the net metering, parallel generation, and interconnection facilities (herein collectively referred to as the "Member-Generator's System") and submit them to the Corporation as set forth in this Application and Agreement.

2. Binding Contract. When this fully completed and executed Member-Generator Application and Agreement receives final approval from the Corporation, it shall become a binding contract and shall govern your relationship with the Corporation in regard to interconnection and net metering of the Member-Generator's System. All Applications and Agreements receiving final approval from the Corporation must be acted upon by the Member-Generator within one year of the date of approval.

3. Operation/Disconnection. If it appears to the Corporation, at any time and in the reasonable exercise of its judgment, that operation of the Member-Generator's System is adversely affecting safety, power quality or reliability of the Corporation's electrical system, the Corporation may immediately disconnect and lock-out Member-Generator's System from the Corporation's electrical system. Member-Generator shall permit the Corporation's employees and inspectors reasonable access to inspect, test, and examine Member-Generator's System to determine if same is adversely affecting safety, power quality or reliability of the Corporation's electrical system.

4. Metering Equipment. Member-Generator's System shall be equipped with sufficient metering equipment capable of measuring the net amount of electrical energy both produced and consumed by the Member-Generator, either by employing a single, bi-directional meter that measures the amount of

electrical energy produced and consumed, or by employing multiple meters that separately measure the Member-Generator's consumption and production of electricity.

5. Costs of Generator System, Additional Metering and Other Equipment. Member-Generator shall, at Member-Generator's cost and expense, install, operate, maintain, repair, and inspect, and otherwise be fully responsible for Member-Generator's System. Member-Generator further agrees to pay or reimburse the Corporation for all costs of additional metering beyond the Member-Generator's existing meter equipment and any additional distribution equipment necessary for the Corporation to interconnect the Member-Generator's System. The Corporation shall in its sole discretion determine the specific type of metering equipment necessary for the Corporation to interconnect the Member-Generator's System.

Upon written request of the Member-Generator, the Corporation may initially pay the costs of additional metering and distribution equipment necessary for the Corporation to interconnect the Member-Generator's System. Thereafter, such costs, including a reasonable interest charge, shall be repaid by the Member-Generator to the Corporation over the course of the twelve billing cycles following interconnection of the Member-Generator's System. Should Member-Generator fail to pay the monthly payment or pay late, the remaining balance shall immediately become due and payable to the Corporation.

Members-Generator's payment or reimbursement of the Corporation's costs for additional metering and other equipment shall be construed as aid to construction only, and Member-Generator will not acquire any ownership interest in meters, wiring, safety devices or other equipment installed by the Corporation at Members-Generator's site. The Corporation may install and maintain, at its expense, load research metering for monitoring the Member-Generator's energy generation and usage and thereafter use or disclose to others all data collected in any manner deemed appropriate by the Corporation.

6. Severability. If any portion or provision of this Application and Agreement is held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Application and Agreement shall remain in full force and effect.

7. Counterparts. This Agreement may be signed and executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.

8. Meter Reading. The meter reading necessary to determine the net amount of electrical energy produced and consumed by the Member-Generator shall be conducted by the Corporation monthly. The term "monthly" for billing purposes shall mean the period between any two consecutive regular readings by the Corporation for the meter(s) at the Member-Generator's System, such readings to be taken as nearly as may be practicable every thirty (30) days.

Member-Generator shall supply, without cost to the Corporation, an accessible and suitable location, as mutually agreed to between Member-Generator and the Corporation, for the meter(s) used for billing, load research and emergency disconnection equipment. All meters used for billing, load research and emergency disconnection equipment shall be accessible at all times to the Corporation's personnel.

9. Energy Value and Billing. Section 386.890 RSMo. Supp. 2007 sets forth the method and manner of valuation and billing of electric energy provided by the Corporation to Member-Generator and by Member-Generator to the Corporation.

CITIZENS ELECTRIC CORPORATION

Board Policy No. 610

Page 7 of 11

The value of that amount of electric energy delivered by the Corporation and consumed by Member-Generator in excess of the amount of electric energy generated by the Member-Generator's System shall be billed in accordance with the Corporation's rate schedule applicable to members in the same rate class as the Member-Generator.

The value of that amount of electric energy delivered by Member-Generator to the Corporation's system in excess of the amount of electric energy consumed by the Member-Generator shall be determined by multiplying the number of excess kWh delivered by Member-Generator to the Corporation by the average monthly kWh charge from Wabash Valley Power Association, Inc. ("WVPA") during the billing period. The Member-Generator shall receive credits equal to the value of the electric energy delivered to the Corporation. Credits will be applied to the next billing period following issuance of the credits. The credits shall expire without any compensation at the earlier of either twelve months after their issuance or when the Member-Generator disconnects service or terminates the net metering relationship with the Corporation.

10. Corporation's Limited Liability. With respect to the Corporation's provision of electric service to Member-Generator and the services provided by the Corporation pursuant to this Application and Agreement, the Corporation's liability shall be limited to claims, losses, costs and expenses that result from the Corporation's gross negligence or other willful misconduct, shown by clear and convincing evidence, in connection with the operation or maintenance of its electric distribution system.

11. No Energy Sales to Corporation. Member-Generator agrees that interconnection of the Member-Generator's System with the Corporation's electrical system does not grant Member-Generator the right to export power, nor does it constitute an agreement by the Corporation to purchase power or wheel Member-Generator's excess power.

12. Terms and Termination Rights. This Application and Agreement becomes effective when signed by all parties hereto, and shall continue in effect until terminated. Thereafter, Member-Generator may terminate this Application and Agreement at any time by giving the Corporation at least thirty (30) days' prior written notice. In such event, Member-Generator shall, no later than the date of termination of the Application and Agreement, completely disconnect Member-Generator's System from parallel operation with the Corporation's electric distribution system. A representative of the Corporation shall be present to witness the disconnect of the Member-Generator's System or thereafter have the right to examine the Member-Generator's System so as to verify that it has been physically disconnected from the Corporation's electrical system. Any party may terminate this Agreement by giving the other parties at least thirty (30) days' prior written notice that another party is in default of any of the terms and conditions of this Application and Agreement, except default by Member-Generator in payment of their power bill from the Corporation, so long as the notice specifies the basis for termination, and there is a reasonable opportunity to cure the default. If Member-Generator is in default because of failure to timely pay their power bill, the Corporation may terminate this Application and Agreement upon disconnection of electric service by the Corporation to Member-Generator under the Corporation's applicable policies. This Application and Agreement may also be terminated at any time by mutual written agreement of the parties hereto.

13. Transfer of Ownership. If ownership or operational control of Member-Generator's System transfers to any other party than Member-Generator, a new Application and Agreement must be completed by the person or persons taking over ownership or operational control of the existing Member-Generator's

CITIZENS ELECTRIC CORPORATION

Board Policy No. 610

Page 8 of 11

System. The Corporation shall be notified in writing no less than thirty (30) days before Member-Generator anticipates transferring ownership or operational control of Member-Generator's System. The person or persons taking over operational control of Member-Generator's System must receive written authorization from the Corporation before the existing Member-Generator System can remain interconnected with the Corporation's electrical system.

14. Maintenance and Operation. Member-Generator agrees to maintain their system and facilities in accordance with applicable manufacturer's recommended maintenance schedule and standard prudent engineering practices. Member-Generator covenants and agrees to operate their system, facilities and equipment so as to minimize the likelihood for a malfunction or other disturbance, damaging or otherwise affecting or impairing the Corporation's electrical system. Member-Generator shall comply with all applicable laws, regulations, zoning, building codes, safety rules and other environmental regulations or restrictions applicable to the design, installation, operation and maintenance of the Member-Generator's System.

Member-Generator must, at least once every year, conduct a test to confirm that Member-Generator's System automatically ceases to energize the output (interconnection equipment output voltage goes to zero) within two (2) seconds of being disconnected from the Corporation's electrical system. Disconnecting the Member-Generator's System from the Corporation's electrical system at the visible disconnect switch and measuring the time required for the unit to cease to energize the output shall satisfy this test. Member-Generator shall maintain a record of the results of these tests and, upon request by the Corporation, shall provide a copy of the test results to the Corporation. If Member-Generator is unable to provide a copy of the test results upon request, the Corporation shall notify Member-Generator by mail that Member-Generator has thirty (30) days from the date Member-Generator receives the request to provide the Corporation with the results of a test. If Member-Generator does not provide the Corporation with the test results within the thirty (30) day time period or if the test results provided to the Corporation show that Member-Generator's net metering unit is not functioning correctly, the Corporation may immediately disconnect Member-Generator's System from the Corporation's electrical system. If Member-Generator's equipment ever fails this test, Member-Generator shall immediately disconnect Member-Generator's System from the Corporation's electrical system. Member-Generator's System shall not be reconnected to the Corporation's electrical system by the Member-Generator until Member-Generator's System is repaired and operating in a normal and safe manner. The Corporation shall have the right to have a representative present and informed when any such tests are conducted. The Corporation does not warrant the testing procedures or results by the presence of its representative.

Member-Generator is responsible for protecting their equipment from transient high voltage spikes caused by lightning and/or transient low voltage conditions caused by faults or short circuits, and from any other causes or events. Therefore, the Corporation shall not be responsible for damage to Member-Generator's equipment allegedly caused by transient high voltage spikes caused by lightning and/or transient low voltage conditions caused by faults or short circuits or other causes or events.

Member-Generator agrees to notify the Corporation no less than thirty (30) days prior to modification of the components or design of the Member-Generator's System that in any way may degrade or significantly alter the System's output characteristics. Member-Generator acknowledges that any such modifications will require submission of a new Application and Agreement to the Corporation.

15. Point of Interconnection. The interconnection point between the Member-Generator's System and the Corporation's electrical system shall be at the meter(s).

16. Liability Insurance. The Corporation suggests and recommends that Member-Generator have no less than \$1,000,000 of coverage so long as the Member-Generator's System is interconnected with the Corporation's electrical system so as to provide coverage for all risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of Member-Generator's System.

Member-Generator may provide the recommended level of coverage by contracting with a provider of liability insurance licensed to conduct business in the State of Missouri. In such event Member-Generator will, upon request, furnish the Corporation with a certificate of insurance evidencing such coverage and naming the Corporation as an additional insured.

Member-Generator may self-insure against the risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of Member-Generator's System. In such event, Member-Generator should have sufficient assets and property to cover the potential liability, ensuing losses, claims, legal actions, expenses including attorney fees and court costs incurred by Member-Generator for personal injuries (including death) and damage to property caused by operation of Member-Generator's System.

Please indicate (by checking box and initialing) whether Member-Generator will either:

- Obtain liability insurance. _____ (*initial*)
- Self-Insure. _____ (*initial*)

17. Member-Generator's Liability and Indemnification. Member-Generator shall assume all liability for and shall indemnify and hold harmless the Corporation, WVPA, and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns from and against any claims, losses, costs and expenses of any kind or character to the extent they result from Member-Generator's negligence or other wrongful conduct in connection with the design, construction, installation, operation or maintenance of the Member-Generator's System. Such indemnity shall include, but is not limited to, financial responsibility for monetary losses, reasonable costs and expenses of defending an action or claim, damages related to death or injury, damages to property, and damages for the disruption of business.

Section F. Member-Generator Acknowledgement
--

I have fully read, understand, and accept all provisions, terms and conditions set forth in this Application and Agreement. Furthermore, I agree not to operate the Member-Generator System in parallel with the Corporation's electrical distribution system until this Application and Agreement has been approved in writing by the Corporation.

Printed Name (Member-Generator): _____

Signed (Member-Generator): _____ Date: _____

Section G. Pre-Construction Certification

I, _____ (print name), the undersigned, a professional electrician or professional engineer (please circle one) do hereby certify that:

The Member-Generator's proposed System hardware complies with all applicable National Electrical Safety Code (NESC), National Electric Code (NEC), Institute of Electrical and Electronics Engineers (IEEE) and Underwriters Laboratories (UL) requirements for electrical equipment and their installation. As applicable to System type, these requirements include, but are not limited to, UL 1741, IEEE 9292000, and IEEE 1547-2003. The proposed installation complies with all applicable state regulations, local electrical codes and all reasonable safety requirements of the Corporation. The proposed System has a lockable, visible, manual disconnect device, clearly marked "Distributed Generation Disconnect" accessible at all times to the Corporation's personnel located at the metering point or other location mutually agreed to between Member-Generator and the Corporation. In addition to the one lockable, visible disconnect device, the System has a functioning mechanism that automatically disables the Member-Generator's System and interrupts the flow of electricity back onto the Corporation's distribution system in the event that electrical service to the Member-Generator is interrupted, thereby preventing the possibility of back-feed.

The Member-Generator's proposed System has functioning controls as specified by IEEE and UL standards, including, but not limited to, control to prevent voltage flicker, DC injection, over voltage, undervoltage, overfrequency, underfrequency, and overcurrent, and to provide for System synchronization to the Corporation's electrical system. The proposed System does have an anti-islanding function that prevents the generator from continuing to supply power when the Corporation's electric system is not energized or operating normally. If the proposed System is designed to provide uninterruptible power to critical loads, either through energy storage or back-up generation, the proposed System includes a parallel blocking scheme for this backup source that prevents any backflow of power to the Corporation's electrical system when the electrical system is not energized or not operating normally.

Signature: _____ Date: _____

Print Name: _____

(If Applicable) License # _____ Expiration Date: _____ Issued by: _____

Section H. Post-Construction Certification

I, _____ (print name), the undersigned, a professional electrician or professional engineer (please circle one) do hereby certify that the Member-Generator's System referenced herein and now fully constructed satisfies all requirements noted in Section G, as set forth above.

Signature: _____ Date: _____

Print Name: _____

(If Applicable) License # _____ Expiration Date: _____ Issued by: _____

Section I. Approval of Application and Agreement

The Corporation does not, by approval of this Application and Agreement, assume any responsibility or liability for damage to property or physical injury to persons due to malfunction of Member-Generator's System or Member-Generator's negligence.

This Application and Agreement is approved by:

CITIZENS ELECTRIC CORPORATION

Representative Name and Title (print): _____

Signature of Representative: _____

Date: _____

WABASH VALLEY POWER ASSOCIATION, INC.

(For systems with capacity of more than 10 kW but less than 100 kW)

Representative Name and Title (print): _____

Signature of Representative: _____

Date: _____

(Remainder of page intentionally left blank)