

**EXHIBIT A**

**APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED  
GENERATION IN THE CITY OF LAMPASAS ELECTRIC SYSTEM**

**AGREEMENT FOR THE INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION IN THE LAMPASAS ELECTRIC SYSTEM**

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The undersigned (the "Customer") hereby applies to The City of Lampasas (COL) for the interconnection and parallel operation of distributed generation on the electric service at the service address herein specified and agrees that such service shall be supplied and used in accordance with the terms and conditions of The City of Lampasas Distributed Generation Ordinance. The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by COL for interconnection with the utility system.

**Customer – Account Information**

**Customer's Name:**

**Customer's Account No.:**

**Contact Person:**

**Telephone Number:**

**Service Point Address:**

**Generator Information**

**Number of Units:**

**Power Factor:** \_\_\_\_\_

**Manufacturer:**

**Voltage Rating:** \_\_\_\_\_

**Type (Synchronous, Induction, or Inverter):**

**Ampere Rating:** \_\_\_\_\_

**Fuel Source (Solar, Natural Gas, Wind etc.)**

**Number of Phases:** \_\_\_\_\_

**Kilowatt Rating (95' F at location):**

**Frequency:** \_\_\_\_\_

**Kilovolt Ampere Rating (95' F at location):**

**Do you plan to export power (circle one):**      Yes      No

**If Yes, maximum amount expected:** \_\_\_\_\_ KW    \_\_\_\_\_ KWH

**Pre-certification Label or Type Number:**

**Expected Energizing and Startup Date:**

**Normal Operation of Interconnection: (examples: provider power to meet base load, demand management, standby, backup, other (please describe):**

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**Complete set of system engineering drawings and specifications:**

- system one-line diagram
- system grounding schematic
- metering devices and equipment included as per COL specification
- meets or exceeds requirements of NEC, NESC, ANSI, other applicable codes, ordinances, rules, regulations

**Complete set of manufacturer's Drawings and Specifications for major components of proposed system:**

- certifying compliance with IEEE 519
- certifying compliance with IEEE 929
- certifying compliance with UL 1741 and IEEE 1547
- certifying compliance with PUCT Substantive Rule 25.212

**Has the generator Manufacturer supplied its dynamic modeling values to the Host Utility?**

- Yes
- No

(Note: Require a Yes for complete application. For pre-certified equipment answer is Yes)

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Information Prepared and Submitted by:	
Name:	
Address:	
Phone:	
Signature:	
Date:	
Note: Acceptance of this application is made contingent upon the customer executing an Agreement for Interconnection and Parallel Operation of Distributed Generation and providing certification of insurance.	
Customer:	
Signature:	
Date:	
<b>City of Lampasas Approval</b>	
By:	
Title:	
Date:	
Return completed Application to: City of Lampasas Public Works Public Works Director	

**EXHIBIT B**

**AGREEMENT FOR THE INTERCONNECTION AND PARALLEL OPERATION OF  
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**AGREEMENT BETWEEN THE CITY OF LAMPASAS AND CUSTOMER FOR THE  
INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED  
GENERATION IN THE LAMPASAS ELECTRIC SYSTEM**

THIS AGREEMENT is entered into by and between the City of Lampasas, Texas (City of Lampasas or "City") and a City electric utility customer seeking to interconnect with the City of Lampasas electric distribution system \_\_\_\_\_

Customer ("Customer"). The City and the Customer may be referred to herein together as the Parties or separately as the Party.

WHEREAS, the City of Lampasas owns and operates a municipal electric utility engaged in the distribution of electricity serving the citizens of the City and portions of Lampasas County, Texas; and

WHEREAS, Customer intends to construct, own, operate, maintain and connect to the City of Lampasas electric distribution system, a Distributed Generation System less than 10MW in size and connected at a voltage less than 60 kilovolts (kV) (the "DG System") at address:

\_\_\_\_\_  
("Property"); and

WHEREAS, the Parties wish to contract for the purchase by the City of the electrical output from the Customer's DG System and to set forth the terms and conditions of the Customer's interconnection with the City of Lampasas Electric Distribution System.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby contract and agree with each other as follows:

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Article I. This Agreement shall be effective as of the date of execution by the latter of the two parties (the Effective Date) and, subject to the other terms of this Agreement, shall continue in effect for a period of one (1) year ("Term"), with automatic renewals of the Term, so long as the Customer is compliance with all of the terms and conditions of this Agreement, the DG Ordinance, and any other applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to the National Electrical Safety Code and the National Electrical Code. This notwithstanding, however, the Customer shall be solely responsible for notifying the City, within thirty (30) days of the expiration of a Term: 1) of whether the Customer's DG System is still in operation, and 2) with proof of insurance and any necessary permits, inspections, approvals, and/or licenses. In the event the Customer fails to provide the City with the required information, the City shall have the right to disconnect the Customer's DG System until the necessary information is received and approved by the City. Notwithstanding the above, the rate during the Term, and any renewal thereto, is subject to change, at any time, and shall be determined by the Distributed Generation Rider and the City of Lampasas' Electric Rate Schedule, if applicable.

Article II. The DG System will be installed at the Property by the Customer, at the Customer's sole cost and expense. The DG System shall have a generation capacity less than 10 MW or connected with a voltage less than 60 kV. Customer shall install, operate and maintain the DG System in full and faithful compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to the National Electrical Safety Code and the National Electrical Code. Customer shall promptly notify City of Lampasas upon receipt of any citation or other official notice of alleged violation of laws, ordinances, rules and regulations concerning the DG System. The Customer shall receive approval from the City, in writing, prior to activating the system. Any monies owned to the City of Lampasas from the Customer for the installation of metering components of DG System shall be received by the City prior to the Customer activating the DG System.

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Article III. Customer warrants and represents that:

Section 3.1 The information regarding the characteristics of the DG System are as specified in the Application for Interconnection and Parallel Operation of Distributed Generation with the City of Lampasas Electric Distribution System filed by the Customer with City of Lampasas ("DG Application"), a copy of which is attached hereto; and

Section 3.2 The DG System and associated other electrical components and devices meet National Electrical Code standards and are in accordance with the Distributed Generation Ordinance; and

Section 3.3 All permits, inspections, approvals, and/or licenses necessary for the installation and operation of the DG System have been obtained by the Customer. The DG System has been successfully tested to UL 1741, IEEE 1547 or IEEE 929 standards, or has been satisfactorily tested by an independent laboratory with published results.

Customer shall provide manufacturer's data or other written proof acceptable to the City of Lampasas to verify the accuracy of the foregoing warranties and representations prior to activation of the DG System. If any of the foregoing warranties and representations is determined to be inaccurate, the City of Lampasas may, at any time and without waiver of or prejudice to any other remedy, immediately disconnect the DG System from the City of Lampasas Electric Distribution System and terminate this Agreement.

Article IV. City of Lampasas will purchase from Customer, and Customer will sell exclusively to City of Lampasas the electrical output from the DG System that is "received" by the City of Lampasas Electric Distribution System. During the term of this Agreement, Customer shall exclusively purchase from City of Lampasas its requirements of electric energy above the amounts generated by the DG System.

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Article V. As provided in the City's Distributed Generation Rider, the City of Lampasas shall pay Customer for the "KWh Received" (energy received by the City of Lampasas Distribution System) at the "Avoided Cost of Generation Rate" (ACGR). The ACGR is determined by the average per KWh cost of generation for the preceding year for electric energy purchased by City of Lampasas from its wholesale electric energy provider(s). The City of Lampasas reserves the right to amend the ACGR at any time, in its sole discretion.

Article VI. At the sole cost of the Customer's, the City of Lampasas will provide, subject to existing rate schedules at the time of the Application, the metering equipment necessary to measure the capacity and energy delivered to and from the Customer. The Customer shall be solely responsible for payment of any and all costs associated with the installation of the meter that is capable of measuring the "KWh Delivered" (energy delivered to the Customer) and the "KWh Received" (energy received by the City of Lampasas Electric Distribution System) in intervals established by the City of Lampasas, using a single meter or two-meter configuration with programmable channels.

Article VII. Customer shall be solely responsible for the design, installation, operation, maintenance, and repair of the DG System and Customer's interconnection facilities. The interconnection of the DG System to the City of Lampasas Electrical Distribution System shall comply with the Public Utility Commission of Texas Substantive Rules §25.212 relating to Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Texas administrative Code §25.212) or any successor rule addressing distributed generation. Prior to activation, the City of Lampasas shall inspect the DG System and the interconnection equipment to ensure compliance with all applicable rules and regulations. All costs to interconnect with the City of Lampasas Electric Distribution System, as well as any necessary maintenance and repair, shall be the sole responsibility of Customer and shall be paid by the Customer to the City, if applicable, prior to approval and activation of the DG System. In addition, the City of Lampasas shall not be required to take or pay for any energy generated by the DG System until the DG System successfully passes City of Lampasas' Field Inspection and Customer has

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reimbursed the City of Lampasas for all its interconnection costs. Maintenance of the DG System by the Customer shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule.

Article VIII. The City of Lampasas shall not be obligated to accept, and shall have the right to require Customer to temporarily curtail, interrupt, or reduce deliveries of energy in order to construct, install, maintain, repair, replace, remove, investigate, inspect, or test any part of the interconnection facilities, equipment, or any part of the City of Lampasas Electric Distribution System. City of Lampasas may disconnect, without notice, the DG System from the City's Electric Distribution System, if, in the City's sole discretion, a hazardous condition exists and immediate action is necessary to protect persons, City of Lampasas' facilities or other Customers' facilities from damage or interference caused by Customer's DG System or a lack of properly operating protective devices. The City shall have the right to amend this Agreement during the Term, or any extension thereto, when necessary to comply with any applicable rule or regulation or when in the best interest of the City.

Article IX. In accord with the above, Customer hereby grants to the City of Lampasas, and all of its authorized employee's, consultants, agents, or personnel access onto and across its property at any reasonable time to inspect the DG System and the Customer's interconnection equipment, to read or test meters and metering equipment, and to operate, maintain and repair City of Lampasas' facilities. No inspection by the City of Lampasas of the DG System or the Customer's interconnection facilities shall impose on City of Lampasas any liability or responsibility for the operation, safety or maintenance of the DG System or Customer's interconnection facilities.

Article X. Customer shall indemnify, defend and save harmless the City of Lampasas, including its elected and non-elected officials, officers, agents and employees from and against any and all liabilities, losses, claims, damages, actions, suits or demands for damages (including costs and attorney's fees, both at trial and on appeal) arising out of, resulting from, or in any manner connected with the breach of any warranty or

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representation made by Customer in this Agreement, or in any manner connected with the design, construction, operation, maintenance or repair of any part of Customer's DG System or interconnection facilities, including, without limitation, liabilities, losses, claims, damages, actions, suits or demands for damages for or on account of personal injury to, or death of, any person, or damage to, or destruction or loss of, property belonging to Customer, City of Lampasas or any third person or entity.

Article XI. The Customer shall maintain liability insurance covering the indemnity agreement set forth above in Article X, with the City of Lampasas as a named insured, which insures the City of Lampasas, including its agents, employees, officers, and officials (elected and non-elected), against any and all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Customer's DG System. The amount of such insurance coverage required for the operation of a DG System shall be at least \$500,000.00 per occurrence, \$1,000,000.00 general aggregate, unless otherwise agreed to or mandated by the City. Within ten (10) days of the date of this Agreement, and prior to the activation of the Customer's DG System, Customer shall furnish a certificate of insurance from Customer's insurance carrier demonstrating that Customer has complied with the provisions of this section and providing that the insurance policy will not be changed or canceled during its term without written thirty (30) day notice to City of Lampasas. The Customer shall maintain the necessary insurance, as stated herein, so long as the DG System is in operation. This insurance requirement will not apply to a Customer DG System, and related equipment, which is pre-certified. "Pre-certified" means a DG System which is 20 kW or less, is UL 1741 listed and which meet the requirements of IEEE 1547, and are installed in accordance with the National Electric Code. For a Pre-certified System, the Customer shall provide the City with proof of homeowner's insurance which covers the DG System, and any related claims. Proof of insurance shall be provided to the City annually in accord with Article I.

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Article XII. Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

**If to Company:**

The City of Lampasas  
312 E Third St.  
Lampasas, Tx 76550

**If to Customer:**

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The above-listed names, titles, and addresses of either party may be changed by written notification to the other.

Article XIII. A material failure of either Party to fully, faithfully and timely perform its obligations under this Agreement shall be a breach of this Agreement. In the event of a breach which is not cured within thirty (30) days after receipt of written notice to the Party in default, the Party not in default may terminate this Agreement. In the event the Customer terminates this Agreement, the Customer shall be responsible for disconnecting the DG System from the City of Lampasas Electric Distribution System. If Customer is in breach of this Agreement, and such breach continues for thirty (30) days after written notice from City of Lampasas, City of Lampasas may disconnect the DG System or otherwise suspend taking energy from Customer, and charge the Customer for all associated costs. All rights granted under this section are in addition to all other rights or remedies available at law or under this Agreement or the applicable City of Lampasas Utilities Rules and Regulations.

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Article XIV. This Agreement shall inure to the benefit of and by binding upon the heirs, successors, or assigns of each of the parties hereto. Customer may not assign this Agreement without the prior written consent of City of Lampasas. Any assignment without such consent shall be null and void. In the event the Property on which the DG System is located is sold, the Customer shall be responsible for notifying the City of Lampasas, in writing, of the sale and the new owner of the Property shall enter into a new interconnection agreement with the City.

Article XV. This Agreement constitutes the entire agreement and understanding between the parties hereto and can be amended only by agreement between the Parties, in writing. In the event any provision of this Agreement, or any part or portion thereof, shall be held to be invalid, void or otherwise unenforceable, the obligations of the Parties shall be deemed to be reduced only as much as may be required to remove the impediment.

Article XVI. The failure of either Party to insist in anyone or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder.

Article XVII. This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Texas. Venue for all such disputes shall be proper and lie exclusively in Lampasas County, Texas.

IN WITNESS WHEREOF, the Parties hereto have caused their names to appear below, signed by authorized representatives.

<b>City of Lampasas</b>	<b>Customer</b>
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

CITY OF LAMPASAS

All Services	xxx	xxx
TARIFF	SECTION NO.	SHEET NO.
ELECTRIC RATE SCHEDULE		
SECTION TITLE	EFFECTIVE DATE	

**DISTRIBUTED GENERATION RIDER**

**APPLICABILITY**

This Distributed Generation Rider ("Rider") applies to any retail Customer receiving electric service under a City of Lampasas ("City") electric rate schedule who owns and operates an on-site generating system capable of producing less than ten megawatts (10 MW) that is interconnected with the City's electric distribution system. Customers requesting interconnection and parallel operation of Distributed Generation (which may be referred to herein as "DG" System) shall complete the Application for Interconnection and Parallel Operation of Distributed Generation ("Application") with the City. For purposes of this Rider, a Distributed Generation System refers to an electrical generating facility located at a Customer's point of delivery of less than ten megawatts (10 MW) which is connected to the City's electric distribution system at a standard available voltage of less than 60 kilovolts (kV) and 60 Hertz alternating current.

**AGREEMENT**

After the City has reviewed the Customer's Application and made a determination that the Customer's Distributed Generation System is consistent with the safe and reliable operation of the City's electric distribution system, and is in accord with the terms and conditions of the City's Distributed Generation Ordinance, the City and the Customer shall enter into an Agreement for the Interconnection and Parallel Operation of Distributed Generation with the City's electric system ("Interconnection Agreement"). The Interconnection Agreement will set forth the contractual conditions pursuant to which the City and the Customer agree that one or more City approved Distributed Generation Systems may be interconnected with City's electric distribution system.

**CONDITIONS OF SERVICE:**

1. All charges, character of service, and terms and conditions of the City of Lampasas Electric Rate Schedule, pursuant to which the Customer receives service, shall apply except as expressly altered by this Rider.
2. The Customer shall comply with: a) the terms, conditions, and technical requirements set forth in the City of Lampasas' Distributed Generation Ordinance No.: \_\_\_\_\_, b) the Interconnection Agreement, and c) the procedures set forth in The Public Utility Commission of Texas Substantive Rule 25.212 for safe and effective connection and operation of Distributed Generation, which describes a Customer's typical interconnection

requirements. Notwithstanding the requirements set forth above, while the Customer's DG System is exporting power to the City's electric distribution system, the City may require a Customer to install, maintain, operate and/or use any protective device and/or operating schemes which are determined to be in the best interest of the City, required as a result of the DG System's location or condition, or which are necessary for the protection of public safety and wellbeing. The Customer shall obtain written approval from the City prior to connecting or energizing the Customer's DG System.

3. The term of an agreement entered into pursuant to this Rider shall continue in effect for a period of one (1) year ("Term"), with automatic renewals of the Term, so long as the Customer is compliance with all of the terms and conditions of the DG Agreement, the DG Ordinance, and any other applicable federal, state and local laws, ordinances, rules and regulations, and generally accepted industry codes and standards, including, but not limited to the National Electrical Safety Code and the National Electrical Code. This notwithstanding, however, the Customer shall be solely responsible for notifying the City, within thirty (30) days of the expiration of a Term: 1) of whether the Customer's DG System is still in operation, and 2) proof of insurance and any necessary permits, inspections, approvals, and/or licenses. In the event the Customer fails to provide the City with the required information, the City shall have the right to disconnect the Customer's DG System until the necessary information is received and approved by the City. Notwithstanding the above, the rate described in this rider or the City's Rate Schedule, as applicable, may be subject to change, at any time, as determined by the City and in accord with applicable rate rules and regulations.
4. The Customer shall be solely responsible for the costs of interconnecting with the City's electric distribution system, including transformers, service lines, or other equipment determined necessary by the City for safe installation and operation of the Customer's DG System with the City's electric distribution system. The Customer shall be responsible for any costs associated with required inspections and permits.
5. The City of Lampasas may perform interconnection studies, which shall include a service study, coordination study, and utility system impact study, as needed and determined in the sole discretion of the City. In instances where such studies are deemed necessary, the scope of such studies shall be based on the characteristics of the particular Distributed Generation System to be interconnected and the City of Lampasas's electric distribution system at the specific proposed location. The City will charge the Customer all fees or costs that are necessary to recover the costs of performing such studies. All fees and costs associated with the Customer's DG System shall be paid to the City prior to the activation or connection of the Customer's DG System. The payment for any modifications or additions to the City's electric distribution system which were identified in a pre-interconnection study, as necessary for the safe and reliable interconnection of the Customer's DG System, shall be the sole responsibility of the Customer.
6. Customer shall not acquire any ownership in such modifications or additions to the City of Lampasas's electric distribution system.
7. Any additional terms or conditions not stated herein shall be set forth in the Interconnection Agreement, as agreed to by the Customer and the City.

**METERING:**

The necessary metering equipment required for a particular DG System, including the voltage rating, number of phases and wires, size, current transformers, and the number of input and associated memory shall be dependent upon the type, size and location of the electric service provided. The Customer shall be solely responsible for the cost of the installation of a data recorder (meter) that is capable of measuring the "Delivered KWh" (energy delivered by the City of Lampasas to the Customer) and the "Received KWh" (energy delivered to the City of Lampasas by the Customer) using a single meter or two-meter configuration. In addition, the City specifically reserves the right, to install, at its own expense, a meter which can measure the output of a Customer's DG System.

**RATE:**

1. In the first a billing month after a Customer receives written approval from the City to connect the Customer's DG System with the City's electric distribution system, and the DG System is connected, the City of Lampasas will determine the "Delivered KWh" and the "Received KWh".
2. The "Delivered KWh" (energy) to the Customer will be billed by the City pursuant to the standard applicable rate schedule.
3. The "Received KWh" (energy) will be multiplied by the City of Lampasas' Avoided Generation Cost to determine the amount the City shall credit the Customer.
4. The Avoided Generation Cost is based on the actual cost of generation from the City's wholesale supplier(s). The City shall credit the Customer's account for this amount.
5. Any credit shall be applied to the utility charges due from the Customer to the City of Lampasas.