

**CITY OF EL PASO, TEXAS**  
**CONSENT AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Financial Services  
**AGENDA DATE:** August 11, 2009  
**CONTACT PERSON/PHONE:** Liza Ramirez-Tobias, 915-541-4074  
**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

El Paso Electric request approval of schedule No. DG, a tariff for the Interconnection and Parallel Operation of Distributed Generation.

**BACKGROUND / DISCUSSION:**

El Paso Electric's (EPE) Application requests that EPE be permitted to apply its proposed Interconnection and Parallel Operation of Distributed Generation Tariff ("DG") pursuant to PUCT Substantive Rules § 25.211 and § 25.212 for service inside the city limits of the City of El Paso, in order to comply with federal law. This tariff ensures that back-up, supplemental, and maintenance power is available to all customers and customer classes that desire distributed generation service. This application does not seek a base rate increase.

**PRIOR COUNCIL ACTION:**

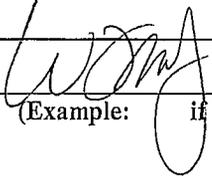
**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:**  \_\_\_\_\_  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**CLARK, THOMAS & WINTERS**

A PROFESSIONAL CORPORATION

TELEPHONE (512) 472-8800

POST OFFICE BOX 1148  
AUSTIN, TEXAS 78767

FAX (512) 474-1129

300 WEST 6<sup>TH</sup> STREET, 15<sup>TH</sup> FLOOR  
AUSTIN, TEXAS 78701

August 3, 2009

Richarda Duffy Momsen  
City Clerk  
2 Civic Center Plaza  
El Paso, Texas 79901

**Re: Application of El Paso Electric Company for Approval of Interconnection  
and Parallel Operation of Distributed Generation Tariff**

Dear City Clerk's Office:

Enclosed please find El Paso Electric Company's ("EPE") Application for Approval of Schedule No. DG, a tariff for the Interconnection and Parallel Operation of Distributed Generation. EPE respectfully requests that the City of El Paso consider the enclosed Application for approval at the City Council's August 11, 2009 meeting and grant EPE the authority to apply its proposed Schedule No. DG Tariff for service inside the city limits of El Paso. EPE has received approval from the Public Utility Commission of Texas and the other Texas municipalities that retain jurisdiction over EPE's retail electric rates. A proposed resolution for adoption by your city council is attached hereto for your convenience.

If you have any questions relating to this filing, please call. Thank you for your attention to this matter.

Yours truly,



Bret J. Slocum  
ATTORNEY FOR EL PASO  
ELECTRIC COMPANY

Enclosures

1. EPE's Application (+1 copy)
2. Rate Schedule No. DG (+1 copy)
3. Proposed Resolution

CITY CLERK DEPT.  
09 AUG -3 PM 3:28

**CLARK, THOMAS & WINTERS**  
A PROFESSIONAL CORPORATION

August 3, 2009

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cc: Honorable John Cook, Mayor  
Bertha Ontiveros  
Assistant City Attorney  
2 Civic Center Plaza  
El Paso, TX 79901

Norman J. Gordon  
Mounce, Green, Myers, Safi & Galatzan  
P.O. Box 1977  
El Paso, TX 79950-1977

**RESOLUTION**

**WHEREAS**, on July 12, 2005, the City Council of the City of El Paso approved a Rate Agreement with El Paso Electric Company dated July 5, 2005 establishing the electric utility rates within the City of El Paso through June 30, 2010;

**WHEREAS**, pursuant to the Rate Agreement and applicable law, the City of El Paso maintains original jurisdiction over rates of El Paso Electric Company for rates charged within the City limits of the City of El Paso;

**WHEREAS**, on \_\_\_\_\_, 2009, El Paso Electric Company ("EPE" or the "Company"), filed with the City of El Paso its Application for Approval of Schedule No. DG - Interconnection and Parallel Operation of Distributed Generation ("Application");

**WHEREAS**, EPE's Application requests that EPE be permitted to apply its proposed Interconnection and Parallel Operation of Distributed Generation Tariff ("DG") pursuant to PUCT Substantive Rules § 25.211 and § 25.212 for service inside the city limits of the City of El Paso; and

**WHEREAS**, the City of El Paso, after having considered the Company's Application, is of the opinion that the Application should be approved and that the proposed tariff will benefit those customers within the City of El Paso who qualify for service under the DG tariff.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

**THAT** El Paso Electric Company's Schedule No. DG - Interconnection and Parallel Operation of Distributed Generation is hereby approved.

**ADOPTED this \_\_ day of August, 2009.**

CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Bertha A. Ontiveros  
Assistant City Attorney

\_\_\_\_\_  
Liza Ramirez-Tobias  
Capital Assets Manager, Financial Services

**Exhibit A**

**Schedule DG**

**EL PASO ELECTRIC COMPANY**

**SCHEDULE NO. DG**  
**INTERCONNECTION AND PARALLEL OPERATION OF**  
**DISTRIBUTED GENERATION**

**AVAILABILITY**

This Rate is applicable to customers with facilities consisting of one or more on-site generating units operating in parallel with Company's system (Distributed Generation) as defined in PUC Substantive Rules §25.211 and §25.212 pursuant to the terms of the Agreement for Interconnection and Parallel Operation of Distributed Generation, which is incorporated herein. To qualify for this rate, no more than ten (10) MW of a facility's capacity will be interconnected at any point in time at the point of common coupling with Company's distribution system, and Customer shall have no intent to sell electricity in the wholesale energy market.

**APPLICATION FOR INTERCONNECTION**

A person seeking interconnection and parallel operation of Distributed Generation (DG) with the Company's distribution system must complete and submit the Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System, which is incorporated herein.

**DEFINITIONS**

On-Peak Periods and Off-peak Periods are all defined in the appropriate rate schedules under which the Customer is taking power.

**TERRITORY**

Texas Service Area

**TYPE OF SERVICE**

Distributed Generation: DG systems may be comprised of one or more primary technologies such as internal combustion engines, combustion turbines, photovoltaics, wind, landfill gas, and batteries.

**PRICING**

Pricing for standby, supplemental, maintenance, backup, and non-firm purchase power will be in accordance with the Company's Standby, Supplemental, Maintenance, Backup and Non-Firm Purchase Power Service Rate Schedule Nos. 18, 45, 46, 47 and 48 and other applicable tariffs. All customers, except residential service customers and commercial customers whose capacity is 15 kW or less, must have a demand meter.

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INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION**

**PRE-INTERCONNECTION STUDY**

A pre-interconnection study may be required and conducted by Company or by the Company's authorized agent. A pre-interconnection study is an on-site analysis used to determine the interconnection requirements and the system voltage for providing parallel service to a DG Customer and an engineering analysis that determines whether the presence of the DG unit at a particular location would interfere with the protective fusing and relaying on the distribution system. It includes an analysis of the DG contribution to power flow, VAR flow, available fault current, effects on switched capacitors and effects on voltage under normal and worst case situations. It may vary in scope, but it results in the minimum information for attaching a small DG unit at a particular location on the distribution system or results in identifying the necessity of further studies for a larger unit. The cost of the pre-interconnection study shall be borne by the Customer pursuant to PUCT Substantive Rule §25.211.

**A. Pre-Interconnection Study Fee Schedule**

**Table 1. Non-Exporting Distributed Generation Units**

<b>Non-Exporting</b>	<b>0 to 10 kW</b>	<b>10+ to 500 kW</b>	<b>500+ to 2000 kW</b>	<b>2000+ to 10,000 kW</b>
1. Pre-certified, not on network	\$0	\$255	\$437	\$692
2. Not pre-certified, not on network	\$198	\$359	\$541	\$796
3. Pre-certified, on network	\$182	\$364	\$1,238	\$2,038
4. Not pre-certified, on network	\$390	\$572	\$1,446	\$2,246

**Table 2. Exporting Distributed Generation Units**

<b>Exporting</b>	<b>0 to 10 kW</b>	<b>10+ to 500 kW</b>	<b>500+ to 2000 kW</b>	<b>2000+ to 10,000 kW</b>
1. Pre-certified, not on network	\$112	\$450	\$1,019	\$1,420
2. Not pre-certified, not on network	\$259	\$754	\$1,227	\$1,628
3. Pre-certified, on network	\$271	\$946	\$2,694	\$3,567
4. Not pre-certified, on network	\$686	\$1,258	\$3,006	\$3,879

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**B. Pre-Interconnection Study Fee Applicability**

1. Pre-Interconnection Study Fees will not be assessed for DG units up to 500 kW that are pre-certified as defined pursuant to the DG Rules, that export no more than 15% of the total load on a single radial feeder and that contribute no more than 25% of the maximum potential short-circuit current on a single feeder. No fee is charged for any pre-certified (according to PUCT definition) DG unit up to 500 kW that exports not more than 15% of the total load on a single radial feeder and contributes not more than 25% of the maximum potential short-circuit current on a single radial feeder.
2. No fee is charged for any pre-certified (according to PUCT definition) distributed inverter based generation unit up to 20 kW connected to a distribution network.
3. For any pre-certified DG unit up to 500 kW that exceeds the limits defined in Section A above, or any pre-certified DG unit above 500 kW, the fees in Section A apply as required for any pre-interconnection studies required by the Company.
4. For any non-certified DG unit, the fees in Section A apply as required for any pre-interconnection studies required by the Company.
5. The fees in Section A apply for any pre-interconnection studies required by the Company for interconnection of DG to either radial feeders or distribution networks.

**PRE-INTERCONNECTION STUDY FEE TERMS OF PAYMENT**

All charges for pre-interconnection studies that are required to be undertaken by the Company prior to interconnection must be agreed to and paid by the Customer prior to commencement of the study.

**TERMS AND CONDITIONS OF SERVICE**

The terms and conditions under which interconnection of DG is to be provided are contained in the Public Utility Commission of Texas Substantive Rules §25.211 and §25.212, which are incorporated herein by reference, and in the Agreement for Interconnection and Parallel Operation of Distributed Generation, which is incorporated herein. The rules are subject to change from time to time as determined by the Commission, and such changes shall be automatically applicable hereto based upon the effective date of any Commission order or rule amendment. The provisions and conditions of the Company's Standard Terms and Conditions and of the Standby, Supplement and

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Maintenance, Backup and Non-Firm Purchase Power Service Schedule Nos. 18, 45, 46, 47 and 48 will continue to be applied, unless specifically changed per this rate. Customers requesting service under this rate must also execute a Contract for Electric Service. The Company's Rules and Regulations and the contract provisions shall apply under this rate schedule.

OTHER SERVICES

Other services may be provided as requested by the Customer and provided pursuant to negotiations and agreement by the Customer and Company and may be subject to approval by the Commission.

The contract capacity for residential customers will be the manufacturer's nameplate rating of the generator. All electricity used over the power provided by the generator will be considered supplemental power and billed according to the standard Rate Schedule No. 45.

RELATED TARIFFED SERVICES

Other services as described below may be provided as requested by the Customer pursuant to negotiations and agreement by the Customer and Company and may be subject to approval by the Commission.

Services for qualifying small power production and cogeneration facilities as defined in 18 CFR, Part 292, Subpart B, of the final rules issued by the Federal Energy Regulatory Commission to implement Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978:

**Backup and Maintenance Service:** Applicable and available to the requirements at the site of the DG and only to customers who have their own *qualifying* generation equipment and who contract for backup and maintenance service pursuant to Schedule No. 46, Maintenance Service, and Schedule No. 47, Backup Service.

**Supplemental Service:** Applicable and available to the requirements at the site of the DG and only to customers who have their own *qualifying* generation equipment but who also require firm power service in addition to service provided under Schedule No. 46 Maintenance Service, and Schedule No. 47, Backup Service. Supplemental Service may be provided under the Company's rate Schedule No. 45 applicable to customer's requirements at the site of the DG only.

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**Non-Firm Purchased Power Service:** Applicable and available to the requirements at the site of the DG and only to customers who have their own *qualifying* generation equipment and who contract with the Company for purchase of the Customer's non-firm energy pursuant to Schedule No. 48, Non-Firm Purchased Power Service. This rate schedule is limited to purchases of non-firm energy delivered at a rate of 1,000 KW or less.

Services for non-qualifying small power production and cogeneration facilities as defined in 18 CFR, Part 292, Subpart B, of the final rules issued by the Federal Energy Regulatory Commission to implement Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 are:

**Standby Service:** Applicable and available to the requirements at the site of the DG and only to customers who have their own *non-qualifying* generation equipment and who contract for standby service pursuant to Schedule No. 18, Standby Service.

INDEMNITY CLAUSE

The provisions of the Indemnity Clause in the Customer's contract for service under this Schedule shall apply.

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Customers seeking to interconnect distributed generation with the utility system will complete and file with the company the following Application for Parallel Operation:

**APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED  
GENERATION WITH THE UTILITY SYSTEM**

Return Completed Application to: El Paso Electric Company  
Attention: Manager, Distribution Monitoring  
P.O. Box 982  
El Paso, Texas 79960

Customer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Service Point Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

(Name and Address) \_\_\_\_\_

Signature \_\_\_\_\_

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 the El Paso Electric Company for interconnection with the utility system.

**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95 F at location) \_\_\_\_\_

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Kilovolt-Ampere Rating (95 F at location): \_\_\_\_\_

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

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

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

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

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

Do you plan to export power: \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

Pre-Certification Label or Type Number: \_\_\_\_\_

Expected Energizing and Start-up Date: \_\_\_\_\_

Normal Operation of Interconnection: (examples: provide power to meet base load, demand management, standby, back-up, other (please describe) \_\_\_\_\_)

One-line diagram attached: \_\_\_\_\_ Yes

Has the generator Manufacturer supplied its dynamic modeling values to EPE? \_\_\_\_\_ Yes

[Note: Requires a Yes for complete application. For Pre-Certified Equipment, answer is Yes.]

Layout sketch showing lockable, "visible" disconnect device:  
\_\_\_\_\_ Yes

**COMPANY:**

**CUSTOMER:**

NAME: El Paso Electric Company

NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
(please print)

BY: \_\_\_\_\_  
(please print)

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION**

This Interconnection Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by El Paso Electric Company, ("Company"), and \_\_\_\_\_ ("Customer"), a \_\_\_\_\_ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**1. Scope of Agreement** -- This Agreement is applicable to conditions under which the Company and the Customer agree that one or more generating facility or facilities of ten MW or less as described in attached Exhibit A to be interconnected at 60 kV or less ("Facility or Facilities") to the Company's utility system with no intent to sell electricity in the wholesale energy market.

**2. Establishment of Point(s) of Interconnection** -- Company and Customer agree to interconnect their Facility or Facilities at the locations specified in this Agreement, in accordance with Public Utility Commission of Texas ("Commission") Substantive Rules § 25.211 relating to Interconnection of Distributed Generation and § 25.212 relating to Technical requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Texas Administrative Code §25.211 and §25.212) (the "Rules") or any successor rule addressing distributed generation and as listed on the attached Exhibit A (the "Point(s) of Interconnection").

**3. Responsibilities of Company and Customer** -- Each Party will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, Facility or Facilities which it now or hereafter may own unless otherwise specified on the attached Exhibit A. Customer shall conduct operations of its facility(s) in compliance with all aspects of the Rules, and Company shall conduct operations on its utility system in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facility Schedule. Maintenance of Facilities or interconnection facilities shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule. The Parties agree to cause their Facilities or systems to be constructed in accordance with specifications equal to or greater than those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction.

Each Party covenants and agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of, its distribution system and related Facilities and Units so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, affecting or impairing the system of the other Party, or other systems with which a Party is interconnected.

Company will notify Customer if there is evidence that the Facility operation causes disruption or deterioration of service to other customers served from the same grid or if the Facility operation causes damage to Company's system.

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Customer will notify Company of any emergency or hazardous condition or occurrence with the Customer's Unit(s) which could affect safe operation of the system.

**4. Limitation of Liability and Indemnification**

- a. Notwithstanding any other provision in this Agreement, with respect to Company's provision of electric service to Customer, Company's liability to Customer shall be limited as set forth in Company's approved applicable Rules and Regulations, Terms and Conditions Applicable to Electric Service of Company's Commission-approved tariffs, and terms and conditions for electric service, which is incorporated herein by reference.
- b. Neither Company nor Customer shall be liable to the other for damages for any act that is beyond such party's control, including any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, or regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party.
- c. Notwithstanding Paragraph 4.b of this Agreement, Company shall assume all liability for and shall indemnify Customer for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Company's negligence in connection with the design, construction, or operation of its facilities as listed on the attached Exhibit A; provided, however, that Company shall have no obligation to indemnify Customer for claims brought by claimants who cannot recover directly from Company. Such indemnity shall include, but is not limited to, financial responsibility for: (i) Customer's monetary losses; (ii) reasonable costs and expenses of defending an action or claim made by a third person; (iii) damages related to the death or injury of a third person; (iv) damages to the property of Customer; (v) damages to the property of a third person; (vi) damages for the disruption of the business of a third person. In no event shall Company be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Company does not assume liability for any costs for damages arising from the disruption of the business of the Customer or for the Customer's costs and expenses of prosecuting or defending an action or claim against the Company. This paragraph does not create a liability on the part of the Company to the Customer or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.
- d. Notwithstanding Paragraph 4.b of this Agreement, Customer shall assume all liability for and shall indemnify Company for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer's negligence in connection with the design, construction or operation of its facilities as listed on Exhibit A; provided, however, that Customer shall have no obligation to indemnify

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Company for claims brought by claimants who cannot recover directly from Customer. Such indemnity shall include, but is not limited to, financial responsibility for: (i) Company's monetary losses; (ii) reasonable costs and expenses of defending an action or claim made by a third person; (iii) damages related to the death or injury of a third person; (iv) damages to the property of Company; (v) damages to the property of a third person; (vi) damages for the disruption of the business of a third person. In no event shall Customer be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Customer does not assume liability for any costs for damages arising from the disruption of the business of the Company or for the Company's costs and expenses of prosecuting or defending an action or claim against the Customer. This paragraph does not create a liability on the part of the Customer to the Company or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.

- e. Company and Customer shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of delivery. The Company does not assume any duty of inspecting the Customer's lines, wires, switches, or other equipment and will not be responsible therefor. Customer assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of delivery, the point of delivery being the point where the electric energy first leaves the wire or facilities provided and owned by Company and enters the wire or facilities provided by Customer.
- f. For the mutual protection of the Customer and the Company, only with Company prior authorization are the connections between the Company's service wires and the Customer's service entrance conductors to be energized.

**5. Right of Access, Equipment Installation, Removal & Inspection** – Upon reasonable notice, the Company may send a qualified person to the premises of the Customer at or immediately before the time the Facility first produces energy to inspect the interconnection, and observe the Facility's commissioning (including any testing), startup, and operation for a period of up to no more than three days after initial startup of the unit.

Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Company shall have access to Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

**6. Disconnection of Unit** – Customer retains the option to disconnect from Company's utility system. Customer will notify the Company of its intent to disconnect by giving the Company at least thirty days' prior written notice. Such disconnection shall not be a termination of the Agreement unless Customer exercises its rights under Section 7.

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Customer shall disconnect Facility from Company's system upon the effective date of any termination under Section 7.

Subject to Commission Rule, for routine maintenance and repairs on Company's utility system, Company shall provide Customer with seven business days' notice of service interruption.

Company shall have the right to suspend service in cases where continuance of service to Customer will endanger persons or property. During the forced outage of the Company's utility system serving customer, Company shall have the right to suspend service to effect immediate repairs on Company's utility system, but the Company shall use its best efforts to provide the Customer with reasonable prior notice.

**7. Effective Term and Termination Rights--** This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The Agreement may be terminated for the following reasons: (i) Customer may terminate this Agreement at any time, by giving the Company sixty days' written notice; (ii) Company may terminate upon failure by the Customer to generate energy from the Facility in parallel with the Company's system within twelve months after completion of the interconnection; (iii) either party may terminate by giving the other party at least sixty days prior written notice that the other Party is in default of any of the material terms and conditions of the Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity to cure the default; or (iv) Company may terminate by giving Customer at least sixty days notice in the event that there is a material change in an applicable rule or statute.

**8. Governing Law and Regulatory Authority --** This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.

**9. Amendment --**This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

**10. Entirety of Agreement and Prior Agreements Superseded --** This Agreement, including all attached Exhibits and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation \_\_\_\_\_ [specify

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any prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

**11. Notices** -- 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:

(a) If to Company:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) If to Customer:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 10.

**12. Invoicing and Payment** -- Invoicing and payment terms for services associated with this agreement shall be consistent with applicable Substantive Rules of the Commission.

**13. No Third-Party Beneficiaries** -- This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

**14. No Waiver** -- The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

**15. Headings** -- The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

**16. Multiple Counterparts** -- This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

**EL PASO ELECTRIC COMPANY**

**SCHEDULE NO. DG**  
**INTERCONNECTION AND PARALLEL OPERATION OF**  
**DISTRIBUTED GENERATION**

**COMPANY:**

NAME: El Paso Electric Company

BY: \_\_\_\_\_  
(please print)

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**CUSTOMER:**

NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
(please print)

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

EL PASO ELECTRIC COMPANY

SCHEDULE NO. DG  
INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION

EXHIBIT A  
Page 1 of 2

LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION

Facility Schedule No.

Name of Point of Interconnection

[Insert Facility Schedule number and name for each Point of Interconnection]

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Section Number 1  
Sheet Number 34 (original)  
Page 14 of 15

Revision Number 0  
Effective with energy consumed on or after approval by  
regulatory authority ( )

EL PASO ELECTRIC COMPANY

SCHEDULE NO. DG  
INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION

EXHIBIT A  
Page 2 of 2

FACILITY SCHEDULE NO. \_\_\_\_\_

[The following information is to be specified for each Point of Interconnection, if applicable.]

1. Name:
2. Facility location:
3. Delivery voltage:
4. Metering (voltage, location, losses adjustment due to metering location, and other):
5. Normal Operation of Interconnection:
6. One line diagram attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No
7. Facilities to be furnished by Company:
8. Facilities to be furnished by Customer:
9. Cost Responsibility:
10. Control area interchange point (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No
11. Supplemental terms and conditions attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

**COMPANY:**

**CUSTOMER:**

NAME: El Paso Electric Company

NAME: \_\_\_\_\_

BY: \_\_\_\_\_  
(please print)

BY: \_\_\_\_\_  
(please print)

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



Control Number: 33096



Item Number: 13

Addendum StartPage: 0

**Paul Hudson**  
Chairman  
**Julie Caruthers Parsley**  
Commissioner  
**Barry T. Smitherman**  
Commissioner  
**W. Lane Lanford**  
Executive Director



**Public Utility Commission of Texas**

2006 OCT 11 11:03:23  
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**TO: Robert M. Blunt IV**  
**Clark, Thomas & Winters**  
**300 West 6<sup>th</sup> Street, 15<sup>th</sup> Floor**  
**Austin, Texas 78701**

**Commission Staff – Electric Industry Oversight**  
**Commission Staff – Legal Division**

**RE: Tariff Control No. 33096 - Application of El Paso Electric Company for Approval of Interconnection and Parallel Operation of Distributed Generation Tariff Pursuant to PUC Subst. R. §25.211 and §25.212**

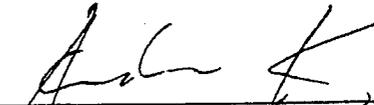
**NOTICE OF APPROVAL**

On August 17, 2006, El Paso Electric Company (EPE) filed an application for approval of a new tariff, Schedule No. DG, Interconnection and Parallel Operation of Distributed Generation, in compliance with P.U.C. SUBST. R. §25.211 and §25.212. EPE supplemented its application on September 7, 2006, and amended it on October 3, 2006.

On October 6, 2006, Commission Staff (Staff) filed a recommendation to approve EPE's application. Consistent with Staff's recommendation, EPE's new tariff, Schedule No. DG, Interconnection and Parallel Operation of Distributed Generation is approved as amended on October 3, 2006. No later than October 20, 2006, EPE shall file "clean" record copies of the new Schedule No. DG, Interconnection and Parallel Operation of Distributed Generation to be stamped "Approved" and retained by Central Records for future reference.

SIGNED AT AUSTIN, TEXAS on the 11<sup>th</sup> day of October 2006.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
**ANDREW KANG**  
**ADMINISTRATIVE LAW JUDGE**

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