

JACKSON PURCHASE ENERGY CORPORATION
Netmetering

APPLICABILITY

To entire territory served.

AVAILABILITY

Net Metering is available to eligible Member-generators in Jackson Purchase Energy Corporation's (JPEC's) service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of JPEC's single hour peak load in Kentucky during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of JPEC's single hour peak load during the previous year, upon Commission approval, JPEC's obligation to offer net metering to a new Member-generator may be limited. An eligible Member-generator shall mean a retail electric Member of JPEC with a generating facility that:

- (1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- (2) Has a rated capacity of not greater than thirty (30) kilowatts;
- (3) Is located on the Member's premises;
- (4) Is owned and operated by the Member;
- (5) Is connected in parallel with JPEC's electric distribution system; and
- (6) Has the primary purpose of supplying all or part of the Member's own electricity requirements.

At its sole discretion, JPEC may provide Net Metering to other Member-generators not meeting all the conditions listed above on a case-by-case basis.

The term "Member" hereinafter shall refer to any Member requesting or receiving Net Metering services under this tariff.

METERING

JPEC shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in JPEC's Commission-approved base rates.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

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BILLING

- A. The amount of electricity billed to the Member shall be calculated by taking the difference between the electricity supplied by JPEC to the Member and the electricity generated and fed back by the Member. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the Member shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day or time-of-use billing agreement with the Member then currently in place.
- B. If the electricity supplied by JPEC exceeds the electricity generated and fed back to JPEC during the billing period, the Member shall be billed for the net electricity supplied. If the electricity fed back to JPEC by the Member exceeds the electricity supplied by JPEC during a billing period, the Member shall be credited for the excess kilowatt-hours, and this electricity credit shall appear on the Member's next bill. Credits shall carry forward for the life of the Member-generator's account.
- C. The energy rates, rate structure, and monthly charges shall be identical to those in the contract or tariff to which the Member would be assigned if the Member were not receiving service under this tariff.
- D. Excess electricity credits are not transferable between Members or locations.
- E. No cash refund for residual generation-related credits shall be paid if an account under this tariff is closed.

APPLICATION AND APPROVAL PROCESS

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from JPEC prior to connecting the generator facility to JPEC's system.

Applications will be submitted by the Member and reviewed and processed by JPEC according to either Level 1 or Level 2 processes defined below.

JPEC may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, JPEC will work with the Member to resolve those issues to the extent practicable.

Members may contact JPEC to check on status of an Application or with questions prior to submitting an Application. JPEC contact information can be found on the Application form. The Application may be submitted by mail to, or in person at, the address found on the Application form.

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LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

JPEC will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- (1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
- (2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- (3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- (4) If the generating facility is to be connected to three-phase, three wire primary JPEC distribution lines, the generator shall appear as a phase-to-phase connection at the primary JPEC distribution line.
- (5) If the generating facility is to be connected to three-phase, four wire primary JPEC distribution lines, the generator shall appear to the primary JPEC distribution line as an effectively grounded source.
- (6) The interconnection will not be on an area or spot network. Area and spot networks are systems in which multiple transformers are interconnected on the secondary side and multiple primary voltage circuits are used to feed the transformers. A spot network is typically used to serve a single building and all the transformers are in one location. An area network typically serves multiple Members with secondary conductors covering multiple city blocks and with transformers at various locations.
- (7) JPEC does not identify any violations of any applicable provisions of Institute of Electrical and Electronics Engineers Standard 1547 (IEEE 1547), "Standard for Interconnecting Distributed Resources with Electric Power Systems."

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- (8) No construction of facilities by JPEC on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, JPEC, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if JPEC determines that the generating facility can be safely and reliably connected to JPEC's system; or 2) deny the Application as submitted under the Level 1 Application.

JPEC shall notify the Member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

If the Application lacks complete information, JPEC shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, JPEC will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test. The Member shall notify JPEC within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with JPEC to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by JPEC and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless JPEC expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to noncompliance with any provision in the Application and JPEC approval, the Member shall not operate the generating facility until any and all noncompliance is corrected and re-inspected by JPEC.

If the Application is denied, JPEC will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

LEVEL 2

A Level 2 Application is required under any of the following:

- (1) The generating facility is not inverter based;
- (2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- (3) The generating facility does not meet one or more of the additional conditions under Level 1.

JPEC will approve the Level 2 Application if the generating facility meets JPEC's technical interconnection requirements, which are based on IEEE 1547. JPEC shall make its technical interconnection requirements available online and upon request.

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JPEC will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time JPEC will respond in one of the following ways:

- (1) The Application is approved and JPEC will provide the Member with an Interconnection Agreement to sign.
- (2) If construction or other changes to JPEC's distribution system are required, the cost will be the responsibility of the Member. JPEC will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, JPEC will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- (3) The Application is denied. JPEC will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in JPEC approval. Member may resubmit Application with changes.

If the Application lacks complete information, JPEC shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to JPEC's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and JPEC and all necessary conditions stipulated in the agreement are met.

APPLICATION, INSPECTION AND PROCESSING FEES

No application fees, or other review, study, or inspection or witness test fees are charged for Level 1 Applications.

For Level 2 Applications, each Member must submit, along with the Application, a non-refundable application, inspection and processing fee of \$100. In the event JPEC determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. JPEC shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

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TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to JPEC's distribution system, the Member's generating facility shall comply with the following terms and conditions:

1. JPEC shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
2. The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by JPEC's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with JPEC's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from JPEC, the Member shall demonstrate generating facility compliance.
3. The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) JPEC's rules, regulations, and JPEC's Service Regulations as contained in JPEC's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
4. Any changes or additions to JPEC's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay JPEC for actual costs incurred for all such excess facilities prior to construction.
5. Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of JPEC's electric system. At all times when the generating facility is being operated in parallel with JPEC's electric system, Member shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by JPEC to any

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of its other Members or to any electric system interconnected with JPEC's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, JPEC's ability to meet its primary responsibility of furnishing reasonably adequate service to its Members.

6. Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on JPEC's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that JPEC shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of JPEC.
7. After initial installation, JPEC shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Member, JPEC shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
8. For Level 1 and 2 generating facilities, where required by JPEC, an eligible Member shall furnish and install on Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from JPEC's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to JPEC's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to JPEC personnel at all times. JPEC may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under JPEC's safety and operating protocols.

JPEC shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.

9. JPEC shall have the right and authority at JPEC's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if JPEC believes that: (a) continued interconnection and parallel operation of the generating facility with JPEC's electric system creates or

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contributes (or may create or contribute) to a system emergency on either JPEC's or Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of JPEC's electric system; or (c) the generating facility interferes with the operation of JPEC's electric system. In non-emergency situations, JPEC shall give Member notice of noncompliance including a description of the specific noncompliance condition and allow Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when JPEC is unable to immediately isolate or cause the Member to isolate only the generating facility, JPEC may isolate the Member's entire facility.

10. Member shall agree that, without the prior written permission from JPEC, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
11. To the extent permitted by law, the Member shall protect, indemnify, and hold harmless JPEC and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by JPEC except where such injury, death or damage was caused or contributed to by the fault or negligence of JPEC or its employees, agents, representatives, or contractors.

The liability of JPEC to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.
12. The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. Member shall, upon request, provide JPEC with proof of such insurance at the time that application is made for net metering.
13. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, JPEC does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.

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14. A Member's generating facility is transferable to other persons or service locations only after notification to JPEC has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Member, or location, JPEC will verify that the installation is in compliance with this tariff and provide written notification to the Member(s) within 20 business days. If the installation is no longer in compliance with this tariff, JPEC will notify the Member in writing and list what must be done to place the facility in compliance.
15. The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

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LEVEL 1
Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Submit this Application to: JPEC, Post Office Box 4030, Paducah, KY 42002, Attn: Tracy A. Bensley

If you have questions regarding this Application or its status, contact JPEC at:

270-442-7321 or tracy.bensley@jpenenergy.com

Member Name: _____ Account Number: _____

Member Address: _____

Member Phone No.: _____ Member E-Mail Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Energy Source: Solar Wind Hydro Biogas Biomass

Inverter Manufacturer and Model #: _____

Inverter Power Rating: _____ Inverter Voltage Rating: _____

Power Rating of Energy Source (*i.e.*, solar panels, wind turbine): _____

Is Battery Storage Used: No Yes If Yes, Battery Power Rating: _____

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of JPEC's meter, energy source, JPEC accessible disconnect switch, and inverter.

Attach single line drawing showing all electrical equipment from JPEC's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: _____

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TERMS AND CONDITIONS:

1. JPEC shall provide Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
2. Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by JPEC's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient, and reliable operation of the generating facility in parallel with JPEC's electric system. Member shall bear full responsibility for the installation, maintenance, and safe operation of the generating facility. Upon reasonable request from JPEC, the Member shall demonstrate generating facility compliance.
3. The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (NEC) as may be revised from time to time; (c) JPEC's rules, regulations, and JPEC's Service Regulations as contained in JPEC's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
4. Any changes or additions to JPEC's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay JPEC for actual costs incurred for all such excess facilities prior to construction.
5. Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics, or otherwise interfere with the operation of JPEC's electric system. At all times when the generating facility is being operated in parallel with JPEC's electric system, Member shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by JPEC to any of its other Members or to any electric system interconnected with JPEC's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, JPEC's ability to

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meet its primary responsibility of furnishing reasonably adequate service to its Members.

6. Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on JPEC's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that JPEC shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of JPEC.
7. After initial installation, JPEC shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Member, JPEC shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the generating facility comply with the requirements of this tariff.
8. For Level 1 generating facilities, where required by JPEC, an eligible Member shall furnish and install on Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from JPEC's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to JPEC's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to JPEC personnel at all times. JPEC may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under JPEC's safety and operating protocols.

JPEC shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.

9. JPEC shall have the right and authority at JPEC's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if JPEC believes that: (a) continued interconnection and parallel operation of the generating facility with JPEC's electric system creates or contributes (or may create or contribute) to a system emergency on either JPEC's or Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety,

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reliability or power quality of JPEC's electric system; or (c) the generating facility interferes with the operation of JPEC's electric system. In non-emergency situations, JPEC shall give Member notice of noncompliance including a description of the specific noncompliance condition and allow Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when JPEC is unable to immediately isolate or cause the Member to isolate only the generating facility, JPEC may isolate the Member's entire facility.

10. Member shall agree that, without the prior written permission from JPEC, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
11. To the extent permitted by law, the Member shall protect, indemnify, and hold harmless JPEC and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating the Member's generating facility or any related equipment or any facilities owned by JPEC except where such injury, death or damage was caused or contributed to by the fault or negligence of JPEC or its employees, agents, representatives, or contractors.

The liability of JPEC to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.
12. The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for Level 1 generating facilities. Member shall, upon request, provide JPEC with proof of such insurance at the time that application is made for net metering.
13. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, JPEC does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
14. A Member's generating facility is transferable to other persons or service locations only after notification to JPEC has been made and verification that the

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installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Member, or location, JPEC will verify that the installation is in compliance with this tariff and provide written notification to the Member(s) within 20 business days. If the installation is no longer in compliance with this tariff, JPEC will notify the Member in writing and list what must be done to place the facility in compliance.

15. The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

Effective Term and Termination Rights

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving JPEC at least sixty (60) days' written notice; (b) JPEC may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of JPEC, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) JPEC may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and JPEC's Net Metering Tariff.

Member Signature

Date

Title

JPEC APPROVAL SECTION

When signed below by a JPEC representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

JPEC inspection and witness test: Required Waived

If JPEC inspection and witness test is required, Member shall notify JPEC within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with JPEC to occur within 10 business days of completion of the generating facility installation or as otherwise agreed to by JPEC and the Member. Unless indicated below, the Member may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Member may not operate the generating facility until all other terms and conditions in the Application have been met.

Call _____ to schedule an inspection and witness test.

Pre-Inspection operational testing not to exceed two hours: Allowed Not Allowed

If JPEC inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information:

None As specified here: _____

Approved by: _____ Date: _____

Printed Name: _____ Title: _____

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LEVEL 2
Application For Interconnection And Net Metering

Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional requirements under Level 1.

Submit this Application along with an application fee of \$100 to: JPEC, Post Office Box 4030, Paducah, KY 42002, Attn: Tracy A. Bensley

If you have questions regarding this Application or its status, contact JPEC at:

270-442-7321 or tracy.bensley@jpenergy.com

Member Name: _____ Account Number: _____

Member Address: _____

Project Contact Person: _____

Phone No.: _____ Email Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Total Generating Capacity of Generating Facility: _____

Type of Generator: Inverter-Based Synchronous Induction

Power Source: Solar Wind Hydro Biogas Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of the Member's system showing all electrical equipment from the generator to the point of interconnection with JPEC's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.

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2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (X_d , X'_d , & X''_d).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Member Signature: _____ Date: _____

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LEVEL 2
INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (Agreement) is made and entered into this ____ day of _____, 20____, by and between _____ (JPEC), and _____ (Member). JPEC and Member are hereinafter sometimes referred to individually as "Party" or collectively as "Parties".

WITNESSETH:

WHEREAS, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with JPEC's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: _____

Generator Size and Type: _____

NOW, THEREFORE, in consideration thereof, Member and JPEC agree as follows:

JPEC agrees to allow Member to interconnect and operate the Generating Facility in parallel with JPEC's electric system and Member agrees to abide by JPEC's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

Terms and Conditions:

To interconnect to JPEC's distribution system, the Member's generating facility shall comply with the following terms and conditions:

1. JPEC shall provide Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
2. Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by JPEC's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient, and reliable operation of the generating facility in parallel with JPEC's electric system. Member shall bear full responsibility for the installation, maintenance, and safe operation of the

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generating facility. Upon reasonable request from JPEC, Member shall demonstrate generating facility compliance.

3. The generating facility shall comply with, and Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by the Institute of Electrical and Electronics Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL); (b) the National Electrical Code (NEC) as may be revised from time to time; (c) JPEC's rules, regulations, and JPEC's Service Regulations as contained in JPEC's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
4. Any changes or additions to JPEC's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay JPEC for actual costs incurred for all such excess facilities prior to construction.
5. Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of JPEC's electric system. At all times when the generating facility is being operated in parallel with JPEC's electric system, Member shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by JPEC to any of its other Members or to any electric system interconnected with JPEC's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, JPEC's ability to meet its primary responsibility of furnishing reasonably adequate service to its Members.
6. Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on JPEC's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that JPEC shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of JPEC.
7. After initial installation, JPEC shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Member, JPEC shall have access at

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reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the generating facility comply with the requirements of this tariff.

8. For Level 2 generating facilities, where required by JPEC, an eligible Member shall furnish and install on Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from JPEC's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to JPEC's meters or the location of the EDS shall be noted by placing a sticker on the meter and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to JPEC personnel at all times. JPEC may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under JPEC's safety and operating protocols.

JPEC shall establish a training protocol for line workers on the location and use of the EDS, and shall require that the EDS be used when appropriate, and that the switch be turned back on once the disconnection is no longer necessary.

9. JPEC shall have the right and authority at JPEC's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if JPEC believes that: (a) continued interconnection and parallel operation of the generating facility with JPEC's electric system creates or contributes (or may create or contribute) to a system emergency on either JPEC's or Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability or power quality of JPEC's electric system; or (c) the generating facility interferes with the operation of JPEC's electric system. In non-emergency situations, JPEC shall give Member notice of noncompliance including a description of the specific noncompliance condition and allow Member a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where JPEC is unable to immediately isolate or cause the Member to isolate only the generating facility, JPEC may isolate the Member's entire facility.
10. Member shall agree that, without the prior written permission from JPEC, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components

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not resulting in increases in generating facility capacity is allowed without approval.

11. To the extent permitted by law, the Member shall protect, indemnify, and hold harmless JPEC and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by JPEC except where such injury, death or damage was caused or contributed to by the fault or negligence of JPEC or its employees, agents, representatives, or contractors.

The liability of JPEC to the Member for injury to person and property shall be governed by the tariff(s) for the class of service' under which the Member is taking service.

12. The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy). Member shall provide JPEC with proof of such insurance at the time that application is made for net metering.
13. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, JPEC does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
14. A Member's generating facility is transferable to other persons or service locations only after notification to JPEC has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Member, or location, JPEC will verify that the installation is in compliance with this tariff and provide written notification to the Member(s) within 20 business days. If the installation is no longer in compliance with this tariff, JPEC will notify the Member in writing and list what must be done to place the facility in compliance.
15. The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

Effective Term and Termination Rights

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving JPEC at least sixty (60) days' written notice; (b) JPEC may terminate upon failure by the Member to continue ongoing operation of the generating

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facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of JPEC, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) JPEC may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation, or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

JPEC

MEMBER

By: _____

By: _____

Printed Name

Printed Name

Title:

Title:

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Exhibit A

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of JPEC facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a JPEC inspection and witness test and when limited operation for testing or full operation may begin.