QUALIFYING FACILITIES STANDARD PURCHASE RATE SCHEDULE FOR PRODUCERS OF 300 kW OR LESS

AVAILABILITY

The Standard Purchase Schedule rate set forth in this tariff shall be available to qualifying Cogenerators or Small Power Producers in Public Service Company of Oklahoma's (PSO) service territory who:

1. Have a maximum rated capacity of 300 kW or less; AND
2. Employ equipment compatible with the particular line segment of PSO to which they are connected; AND
3. Sign the Company's Standard Electricity Purchase Agreement (PA) for Small Power and Cogeneration Facilities, as attached to this tariff.
4. Have total kWh generation output metered, via a separate production meter, in a manner that provides compliance with PSO's Customer Interconnection Guide.

PURCHASE OPTION

A Producer as defined in the Standard Terms and Conditions of Purchase from Producers of 300 kW or Less (Standard Terms and Conditions) shall have two choices for selling electricity under this tariff. The Producer may:

1. Sell the gross production of energy from the generating unit; OR
2. Sell the net production of energy from the generating unit after serving its own load.

FIRM POWER QUALIFICATIONS

The Cogenerator or Small Power Producer must deliver energy to PSO with a minimum on-peak season capacity factor of 65 percent to qualify for the Firm Power purchase rate. If the Producer fails to provide firm power, as contracted for, the Producer shall reimburse PSO for the difference between the firm and non-firm price. The On-Peak Season shall be June through September.

PURCHASE RATE

FIRM:	All kWh at $0.040480 per kWh
NON-FIRM:	All kWh at $0.030640 per kWh

TERM: One Year.

TERMS AND CONDITIONS

The Terms and Conditions associated with this tariff are set forth in the Standard Terms and Conditions adopted by the Commission in its Order No. 326195 issued in Cause No. 27208, and the Company's Terms and Conditions as the same may be from time-to-time amended, and which are incorporated herein by reference.

DESIGN, OPERATION AND MAINTENANCE DATA

In addition to the requirements of the Terms and Conditions of Purchase, the Producer shall maintain (1) a diary of the facility including installation date, date and nature of any changes, non-routine maintenance and repair, and date and reason for any extended periods of non-generation, and (2) such other information as is reasonably necessary to evaluate the facility and its potential impact on the electrical system. The Producer will make such records available to PSO and to the Oklahoma Corporation Commission (OCC).

RIGHTS OF PRODUCER

The Producer has the right:

1. To generate, in parallel with PSO, in a manner which does not degrade the integrity of PSO's system. PSO will make a reasonable effort to accommodate operationally to the Producer's facility;
2. To good faith negotiation with PSO; AND
3. To bring complaint or dispute to the OCC for mediation, hearing or other resolution.

MODIFICATIONS

The Purchase Agreement, Purchase Rate Schedules, and Conditions of Purchase may be changed from time to time during the term, as approved by the OCC. The purchase rates will change as additional information becomes available on avoided costs, reliability of technologies and other pertinent factors.

STANDARD RATE SCHEDULE FOR NET ENERGY BILLING OPTION (NEBO) FOR PRODUCERS OF 300 kW OR LESS

DEFINITIONS

Net Energy – For the purpose of the NEBO**,** net energy shall be defined as the difference of energy produced by the site-specific net energy producing facility less the energy consumed by the customer located at the same site.

Avoided Energy Cost – For the purpose of the NEBO, the Avoided Energy Cost(s) for each monthly period will be based on the Day Ahead (DA) Locational Marginal (LMP) prices for the same period from the Southwest Power Pool (SPP) Integrated Marketplace ("IM").

For billing months June through October, On-Peak Avoided Energy Cost shall be calculated every month by taking the average of the DA LMP energy settlement prices for the on-peak hours of the period. Off-Peak Avoided Energy Cost shall be calculated every month of the year by taking the average of the DA LMP energy settlement prices for the Off-Peak hours of the period. On-Peak and Off-Peak periods shall be defined as follows:

> **On-Peak Hours:** Billing months of June through October, inclusive. The hours are 2:00p.m. to 7:00 p.m. local time, Monday through Friday, excluding Juneteenth, Independence Day, and Labor Day holidays.
>
> **Off-Peak Hours:** All hours not defined as On-Peak hours.

Cogenerator (OAC 165:40-1-2) **–** A producer qualified under Section 201 of the Public Utility Regulatory Policies Act of 1978 as a cogeneration facility.

Small power producer (OAC 165:40-1-2) – A facility qualified under Section 201 of the Public Utility Regulatory Policies Act of 1978 as a small power production facility.

AVAILABILITY

NEBO customers must take service under their applicable standard TOD rate schedule (excluding Large Power and Light rate schedule, which is not eligible for this tariff) and have installed a Net Energy producing facility, and signed a Standard Electricity Purchase Agreement for Small Power and Cogeneration Facilities (PA) with the Utility. Such facilities must be located on the customer's premise and be intended primarily to offset only the energy that would have otherwise been provided by the retail electric supplier to the customer during the monthly billing period at that location. Customer's usage may not be aggregated from multiple

usage points to qualify for kWh offsets under this tariff. Within a monthly billing period, the amount of energy produced from the Net Energy producing facility in excess of the energy consumed by the NEBO customer on the same site shall be credited, or paid, in dollars in the next billing period(s) at the price of PSO's Avoided Energy Cost, according to the monthly billing section of this tariff.

NEBO customers may not take service under this tariff and simultaneously take service under the provisions of any other alternative source generation or co-generation tariff.

PSO retains the right to limit the total number of Net Energy installations on any individual distribution circuit or individual distribution substation due to possible operational concerns.

The Net Energy Billing Option is available to all qualifying cogenerators and small power producers who:

1) Have a maximum rated capacity of 300 kW or less;

2) Employ equipment compatible with the particular PSO line segment providing service to the Net Energy premise;

3) Sign the Company's Standard Electricity Purchase Agreement (PA) for Small Power and Cogeneration Facilities as attached to this tariff; AND

4) Have total kWh generation output metered, via a separate production meter, in a manner that provides compliance with PSO's Customer Interconnection Guide.

No Net Energy facilities shall have an installed capacity greater than 125% of the customer's annual peak demand. If a Net Energy facility has an installed capacity greater than 125% of the customer's annual peak demand, said customer may be defaulted to the Company's QF Standard Purchase Schedule tariff. Customer's peak demand shall initially be determined as a customer's peak demand in kilowatts for the 12 months immediately prior to requesting service under this NEBO tariff. The peak demand is subject to redetermination if significant changes in customer load occur and/or if modifications are made to the customer's generating system.

APPLICATION/INTERCONNECTION

A customer seeking to interconnect an eligible Net Energy facility to the Company's system and operate in parallel with PSO must submit to the Company's designated personnel a completed Interconnection Application. The Company will provide copies of all applicable forms upon request, or they can be found online at www.PSOklahoma.com. Final selection and participation on this tariff shall be at the sole discretion of PSO.

SCHEDULE: NET ENERGY BILLING OPTION (NEBO) **RATE CODE 067, 247, 257, 263**

MONTHLY BILLING

On a monthly basis, the NEBO customer shall be billed the charges applicable under their standard TOD rate schedule and any applicable rider schedules. Under NEBO, only the kilowatt-hour (kWh) units of the customer's bill are affected. Customers who were Net Metering customers prior to the effective date of this schedule will be assigned the applicable class TOD rate schedule, based on the rate class under which they were billed for service under the prior Net Metering tariff. For new NEBO customers, the annual billing period before the customer became a NEBO customer shall be used to determine the applicable standard TOD tariff used for the customer's billing under this rate schedule.

During the monthly billing period, and within the respective on and off peak intervals of the on-peak season, if the kWh supplied by the Company to the customer exceeds the energy provided by the Net Energy facility, the customer shall be billed for the net kWh supplied by the electric utility within that interval, in accordance with the rates and charges under the Company's standard applicable TOD rate schedule. If the electricity generated by the Net Energy facility exceeds the electricity consumed by the customer, the customer shall be credited, or paid, in dollars in the next billing period(s), at the applicable on or off peak price of PSO's Avoided Energy Cost.

If a NEBO customer accumulates a credit that carries forward longer than 24 consecutive months or exceeds $100 in total, PSO or the customer may choose to process a one-time payment for that amount. If a customer transfers service, any NEBO credit amount will be transferred to that customer's new account. If a customer were to leave PSO's system with a NEBO credit on their bill, a one-time payment will be processed as part of closing out the account.

PURCHASE PRICE

The Company will calculate a monthly On-Peak and Off-Peak average Avoided Energy Cost rate based on the month's On-peak and Off-peak SPP IM DA LMP energy prices.

1. On-Peak Monthly Avoided Energy Cost shall be calculated as follows:

$$\frac{\sum_i DA\ Settlement\ Price_i}{m}$$

Where:

$i = 1 \ldots m$;

DA Settlement Price – shall be based on the SPP DA LMP settlement prices for the AEPM_CSWS (or its successor) price node for On-Peak hours;

m = Count of On-Peak hours of the month.

2. Off-Peak Monthly Avoided Energy Cost shall be calculated as follows:

$$\frac{\sum_i DAP\ Settlement\ Price_i}{n}$$

Where:

$i = 1 \ldots n$;

DAP Settlement Price – shall be based on the SPP DA LMP settlement prices for the AEPM_CSWS (or its successor) price node for Off-Peak hours;

n = Count of Off-Peak hours of the month.

Purchased price for Net Energy shall be credited against the time-differentiated energy portion of the customer's bill at the applicable TOD Seasonal or hourly TOD kWh pricing of the customer's Standard TOD bill.

DETERMINATION OF MINIMUM MONTHLY BILL

A NEBO customer's total monthly billing shall not be less than applicable franchise fees; local, state, or federal income taxes; applicable tariff or rider charges; monthly customer charges; meter charges (if any); and applicable demand charges. Fuel rider charges will be based on net delivered kWh; other applicable rider charges will be based on the total delivered kWh.

TERM: One Year.

SCHEDULE: STANDARD ELECTRICITY PURCHASE AGREEMENT (PA)

Contract No: _____

_____
Company Representative

STANDARD ELECTRICITY PURCHASE AGREEMENT FOR SMALL POWER AND COGENERATION FACILITIES (300 kW or Less)

This Contract made and entered into on _____, by and between **Public Service Company of Oklahoma** ("Company") and _____ ("Producer").

For Valuable Consideration, Producer and Company agree as follows:

1. **Small Power and Cogeneration Facility:** Producer intends to own and/or operate an electric generating facility using fuels derived from biomass, waste or renewable energy source, including wind, solar energy, or water to produce electricity, or a cogeneration facility having a maximum rated electrical output of 300 kW. Producer desires to operate such generation parallel with the Company's system and sell a portion or all of the electricity produced to the Company. The Company has no direct financial involvement in the investment, construction, operation or maintenance of Producer's generation facility.
2. **Changes to Generating Facility:** Producer's generating facility is described in the Interconnect Application already on file with the Company. Changes to the system must be approved by the Company prior to being placed in-service, and may require a new Interconnect Application.
3. **Use of System:** The Company is willing to permit Producer to operate its generating facility in parallel with Company's system for the purpose of either delivering or self-consuming of the electricity being produced. The Company will provide supplemental and/or standby services to the Producer in accordance with tariffs approved by the Oklahoma Corporation Commission ("Commission" or "OCC").
4. **Indemnification:** Each party agrees to and shall defend and indemnify and hold harmless the other party, that indemnified party's parent company and all related or affiliated companies, and all officers, directors, shareholders, associates, employees, servants and agents of each, from and against all claims, losses, expenses, including attorney's fees and costs, damages, demands, judgments, claims, causes of actions or suits which arise out of or relate to this agreement due to the negligent act or omission, willful misconduct, other fault of any nature of the indemnifying, its employees, agents, or subcontractors.
5. **Terms and Conditions of Purchase for Producers of 300 kW or Less:** The Standard Terms and Conditions of Purchase from Producers of 300 kW or Less (Standard Terms and Conditions) are incorporated by reference in this Agreement. Any changes or modifications to this Agreement shall require specific approval of the Commission as provided in OAC 165:40-1-4 of the Standard Terms and Conditions of Purchase for Producers of 300 kW or Less, which are consonant with the Commission's Standard Terms and Conditions as approved by the Commission, and are also incorporated by reference in this Agreement.

   Should the Producer dispute the interpretation by the Company of the requirements of the National Electrical Code and/or any applicable municipal code, such Producer may request the dispute be resolved by the Commission.

   The Company reserves the right to refuse to connect to any wiring or apparatus which does not meet these requirements, and the Company may, without advance notice, discontinue its connection with any Producer's wiring or apparatus when a dangerous condition of wiring or equipment upon the premises of the Producer is discovered.

SCHEDULE: STANDARD ELECTRICITY PURCHASE AGREEMENT (PA)

6. **Rate:** The Producer hereby selects the following Rate Option for the term of this Agreement by placing his/her initials in the space provided for the Rate Option selected and by lining through those Rate Options which are not selected:

   (___) Firm Energy: Producer hereby elects to provide Firm Power to the Company and to be paid Firm Power Purchase Rate as set forth in Rate Schedule QF Standard Purchase Schedule. Firm Power means energy delivered to the Company with at least a 65 percent on-peak season capacity factor as the on-peak season is defined in Rate Schedule QF Standard Purchase Schedule. In selecting this option, the Producer understands it has the obligation to deliver Firm Power to the Company. Failure to meet this capacity factor shall result in the penalty specified in the Company's QF tariff.

   (___) Non-Firm Energy: Producer hereby elects to provide as delivered energy and to be paid therefore at the Non-Firm Power Purchase Rate as set forth in Rate Schedule QF Standard Purchase Schedule.

   (___) Net Energy Billing: Producer hereby elects to be paid for energy delivered to the Company on a Net Energy Billing basis as set forth in Rate Schedule NEBO.

7. **Purchases:** Power and energy delivered to the Producer by the Company as well as any standby services provided shall be sold under the provisions of the Company's applicable rate schedules. Billing for electric purchases by the Company shall be accomplished in the same manner as billing for electric service sold to the Producer. Invoices for purchases shall be prepared by the Company and submitted at the same time to the Producer as a separate statement or as a separate item on the bill for electric service.

8. **Notices:** Any notice under this Contract that either Producer or Company may desire to give to the other shall be in writing and mailed by certified or personal mail delivered to the post office address of the other, as follows:

PUBLIC SERVICE COMPANY OF OKLAHOMA	PRODUCER / COMPANY NAME
P.O. Box 201	Mailing Address
Tulsa, OK 74102-0201	City, ST ZIP
Attention: Manager, Customer Services	Attention:_____

   Or to other such address as either Customer or Company shall designate by written notice to the other. Notice shall be deemed given upon actual receipt or upon refusal of receipt.

9. **Severability:** If any provision of this Contract is declared null and void by a court or regulatory body of competent jurisdiction, such determination shall not affect the remaining terms and conditions which shall remain in full force and effect.

10. **Term:** This Agreement shall become effective on completion of the installation of facilities required for parallel operation and shall remain in effect for a period of one year. At the end of the primary term and for each succeeding year thereafter, this Agreement shall be automatically renewed for a period of one year unless canceled or terminated by instructions or direction of the Commission; provided, however, that the Producer may terminate this Agreement at any time by giving thirty (30) days written notice of its intent to terminate to the Company. Producer shall not terminate this Agreement for the purpose of selecting a new or different Rate Option except at the end of the primary term or at the end of any subsequent year. Installation of facilities required for parallel operation shall be deemed to be complete when the Company provides the Producer with its written consent to commence parallel operation.

SCHEDULE: STANDARD ELECTRICITY PURCHASE AGREEMENT (PA)

IN WITNESS WHEREOF, the Producer certifies the information provided to the Company is true and correct, and accepts the provisions set forth herein on the day and year first above set forth.

_____
Producer

_____
By

_____
Title

STANDARD TERMS AND CONDITIONS OF PURCHASE FROM PRODUCERS OF 300 kW OR LESS

The Terms and Conditions of Purchase associated with the supplying and delivering of electricity to the Company's electric system by a Small Power Producer or Cogenerator of 300 kW or less are set forth in the Standard Terms and Conditions adopted by the Commission in its Order No. 326195 issued in Cause No. 27208 other than modifications to the following Section:

OAC 165:40-3-13 DISCONTINUANCE OF ELECTRIC SERVICE

The Company may discontinue electric purchase from a Producer for the reasons set forth below, after written notice stating the reason or reasons for such discontinuance has been given to the Producer:

1. At any time service is discontinued under the Terms and Conditions of Service;
2. If the Producer refuses to provide the Company reasonable access to its equipment upon the Producer's premises;
3. Violation of any rule or regulation of the Commission or non-compliance with any applicable federal, state, municipal or other local laws, rules or regulations;
4. Violation of or non-compliance with any approved tariff or these Terms and Conditions of Purchase;
5. Failure of the Producer to make application for purchase; AND
6. Failure of the Producer to make application for electric purchase in the true name of the Producer for the purpose of avoiding payment of any unpaid obligation for electric service provided.

The Company may discontinue electric purchase from a Producer without advance notice for any of the reasons set forth below:

1. Existence of a dangerous or defective condition of wiring or equipment on the Producer's premises;
2. Fraudulent use or sale of electricity; AND
3. Tampering with the Company's regulating and measuring equipment or other property.

The Company may discontinue purchase for non-payment of a utility bill, net of purchases, in the same manner as for electric service.

The fact that the Company holds a deposit authorized by the Terms and Conditions of Service will not prevent discontinuance of purchase pursuant to this Section.

SCHEDULE: TERMS AND CONDITIONS OF PURCHASE FOR PRODUCERS OF 300 kW OR LESS (T&C PP)

As soon as is practicable, after the condition has been remedied for which the Producer's purchase was discontinued, the Company shall restore purchase, provided, however, where purchase has been discontinued for fraudulent use or sale of electricity or for tampering with the Company's regulating and measuring equipment or other property, the Company may refuse to restore purchase until ordered to do so by the Commission.

Whenever purchase has been discontinued for fraud or tampering as defined above, the Company may charge a purchase reconnection fee of $22 during normal working hours and $56 during other hours, in addition to any charges under the retail Terms and Conditions of Service. The Producer must pay, or make arrangements for paying same, before purchase will be reconnected.

Noncancellation of purchase does not waive right to cancel for future breach.

AVAILABILITY

This schedule is available to Customers who request Standby, Supplemental, or Standby and Supplemental Service for power production facilities which operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers, and without presenting a safety hazard to the Company and customer personnel.

This rate schedule shall not apply to qualified small power producers or co-generators, as defined by the Public Utility Regulatory Policies Act (PURPA) and subsequently Chapter 40 of the Oklahoma Corporation Commission rules.

Service under this schedule requires a contract for electric service with a term of not less than one (1) year and an interconnection application that sets forth the terms, conditions and any special equipment required, as specified by the Company, to allow such parallel operation with Company's system.

Service may be taken at Transmission (Service Level 1), Primary Substation (Service Level 2), Primary Service (Service Level 3), or Secondary (Service Level 4 or 5). Service provided under this rate schedule is supplied at one location at one voltage, is considered firm and is not available for resale. The Company will furnish service in accordance with the Company's Rules, Regulations, and Conditions of Service, and the Rules and Regulations of the Oklahoma Corporation Commission.

Standby Service means electric capacity and energy supplied by the Company to replace capacity and energy ordinarily generated by Customer's on-site power production facilities when such facilities are unavailable to supply Customer's capacity and energy requirements. The Customer shall contract with the Company for a specific amount of Standby capacity as any whole number that is not less than zero, provided that such capacity amount shall not exceed the maximum rating of Customer's power production facilities.

Supplemental Service means electric capacity or energy supplied by the Company and ordinarily required by Customer in excess of the Standby contract capacity amount. The Customer shall contract with the Company for a specific amount of Supplemental capacity. Supplemental service shall be provided according to all the provisions of the Large Power and Light (LPL) rate schedule for Service Levels 1, 2, and 3, or Power and Light Time of Day (PLTOD), Power and Light (PL) for Service Levels 4 and 5, or other approved rate schedules offered at the sole discretion of the Company.

Standby Rates

Transmission (Service Level 1)

Standby Service Fee $280.00 per month

Monthly Standby Charge is the greater of:

On Peak period:

Daily Demand Charge $0.58 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $4.62 per monthly contract demand (kW)

Off-Peak period:

Daily Demand Charge $0.21 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $1.92 per monthly contract demand (kW)

Energy Charge All Months $0.001708 per kWh

Primary Substation (Service Level 2)

Standby Service Fee $280.00 per month

Monthly Standby Charge is the greater of:

On-Peak period:

Daily Demand Charge $0.90 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $6.38 per monthly contract demand (kW)

Off-Peak period:

Daily Demand Charge $0.40 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $2.68 per monthly contract demand (kW)

Energy Charge All Months $0.002093 per kWh

Primary (Service Level 3)

Standby Service Fee $280.00 per month

Monthly Standby Charge is the greater of:

On-Peak period:

Daily Demand Charge $0.96 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $7.51 per monthly contract demand (kW)

Off-Peak period:

Daily Demand Charge $0.47 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $3.09 per monthly contract demand (kW)

Energy Charge All Months $0.003051 per kWh

Secondary (Service Levels 4 and 5)

Standby Service Fee $76.15 per month

Monthly Standby Charge is the greater of:

On-Peak period:

Daily Demand Charge $1.22 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $10.01 per monthly contract demand (kW)

Off-Peak period:

Daily Demand Charge $0.50 times the sum of daily maximum demands (kW), or
Minimum Standby Charge $4.05 per monthly contract demand (kW)

Energy Charge All Months $0.013384 per kWh

For Customers that only contract for Standby service, any metered demand in excess of the contract amount shall automatically increase the contract amount for Standby to the higher level that shall not exceed the maximum rating of Customer's power production facilities.

For Customers that contract for both Standby and Supplemental service, any metered demand in excess of the sum of both contract amounts shall be considered to be Supplemental, and the contract Supplemental service capacity shall automatically increase to the higher level. For Customers that only contract for Supplemental service, the contract amount for Standby service shall be zero.

The daily maximum demand is the maximum metered demand, in kW, delivered each day.

The monthly contract demand is the amount, in kW, of the contracted Standby or Supplemental service capacity.

Metered demand data is based on thirty-minute integrated periods measured by a demand meter.

KWh is the maximum metered kWh delivered during the billing period.

The monthly maximum demand and the monthly maximum kVAR requirements will be the highest metered kW and kVAR occurring during the billing period.

The On-Peak period is from June 1 through September 30 of each calendar year.

The OffPeak period is from October 1 through May 31 of each calendar year.

General Terms

If the Customer's load is highly fluctuating to the extent that it causes interference with standard quality service to other loads, the Customer will be required to pay the Company's cost to install transformer capacity necessary to correct such interference.

Monthly bill shall be subject to adjustments pursuant to the Fuel Cost Adjustment, Tax Adjustment, Metering Adjustment, and all applicable Riders. The minimum monthly bill is the Standby Service Fee plus the demand charges.

Terms of Payment

Monthly bills are due and payable by the due date. Monthly bills unpaid by the due date will be assessed a late payment charge of 1 ½ percent of the total amount due.