EL PASO ELECTRIC COMPANY

SCHEDULE NO. 48

NON-FIRM PURCHASED POWER SERVICE FROM DISTRIBUTED GENERATORS, DISTRIBUTED RENEWABLE GENERATORS AND QUALIFYING FACILITIES

APPLICABILITY

This rate schedule is available to customers who generate electrical energy and who wish to interconnect a generating facility in parallel with the Company's system. Service under this rate schedule is contingent upon the acceptance of the Standard Interconnection Agreement.

This rate schedule sets forth a customer charge and applies to non-firm purchases of energy generated by:

1. 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.

2. Distributed renewable generation facilities as defined in the Texas Public Utility Regulatory Act §39.916.

TERRITORY

Texas Service Area

MONTHLY RATE

Customer Charge, payable to the Company by the Customer

$ 15.00 For customers receiving energy payments under Method A.
$165.00 For customers receiving energy payments under Method B.

Method A: Energy Payment, payable to the Customer by the Company

For qualifying facilities and distributed renewable generation facilities who provide non-firm energy at a rate of 100 kilowatts (kW) or less, the monthly energy payment rate shall be the lesser of the Company's cost of fuel and purchased power per kilowatt-hour (kWh) for the billing month in which the energy was received or, the Company's avoided energy cost as determined by averaging the Daily Peak and Daily Off-Peak values for one (1) megawatt (MW) from the Estimated Avoided Energy Cost for the current year as filed in the Company's most recent annual filing pursuant to PUCT §25.242 (e)(2)(A).

Method B: Energy Payment, payable to the Customer by the Company

For Qualifying Facilities and distributed renewable generation facilities who provide non-firm energy at a rate greater than 100 kW, the monthly energy payment rate, payable by the Company, shall be the amount of fuel and purchased power costs per kWh which were avoided by the Company calculated within the three rating periods specified below:

On-Peak Rating Period - For energy purchased from the Qualifying Facility within the weekday hours of 12:00 p.m. to 5:00 p.m. MDT.

Shoulder Rating Period - For energy purchased from the Qualifying Facility within the weekday hours of 8:00 a.m. to 12:00 p.m. MDT or 5:00 p.m. to 9-00 p.m. MDT.

Off-Peak Rating Period - For energy purchased from the Qualifying Facility within the weekday hours of 9:00 p.m. to 8:00 a.m. MDT or on weekends or holidays.

TYPE OF SERVICE

Service available under this rate schedule will be alternating current at one of the Company's standard service voltages, single or three phase, at 60 hertz. The harmonic content of the Customer's generation must not cause interference or equipment problems for the Company or other Company customers. The Company reserves the right to discontinue any Qualifying Facility that causes harmful or annoying voltage fluctuations.

METERING AND SERVICE FACILITIES

The Company will install, own and maintain the meter and metering equipment. The Customer will install customer-furnished meter socket or metering cabinet, or both, at a Company-designated location on the Customer's premises.

The Company, at its expense, may install load research metering equipment on the Customer's premises. The Customer shall supply, at no expense to the Company, a suitable location for meters and associated equipment used for billing and for load research.

The Company will provide those customers with qualifying facilities having a design

capacity of 100 kW or less the following metering options:

A. Metering through two (2) meters with one measuring the Customer's net consumption and the other measuring net production of the Qualifying Facility. Net consumption is the total load of the Customer less the power supplied by the qualifying facility to meet any portion of that load. Net production is the total power supplied by the Qualifying Facility less the power requirements of the Customer.

B. Metering through two (2) meters with one measuring the Customer's total consumption and the other measuring the total production of the Qualifying Facility.

The Company will provide the additional option of interconnection through a single meter that runs forward and backward for those Customers that are either: 1) an apartment house occupied by low-income elderly tenants that qualifies for master metering under Utilities Code Section 184.012(b) and the distributed renewable generation is reasonably expected to generate not less than 50 percent of the apartment house's annual electricity use; or, 2) have Qualifying Facilities with a design capacity of 50 kW or less and that utilize a renewable energy resource.

This net metering option is available only if the distributed renewable generation or Qualifying Facility is rated to produce an amount of electricity that is less than or equal to: 1) the Customer’s estimated annual kWh consumption for a new apartment house or Qualifying Facility; or, 2) the amount of electricity the Customer consumed in the year before installation of the distributed renewable generation or Qualifying Facility. Measured net consumption shall be billed under the standard rate schedule applicable to the Customer. Measured net production shall be purchased in accordance with the provisions of this rate schedule and is limited, on an annual basis, to ten percent of the Customer’s annual kWh consumption prior to service under this rate schedule. The Customer will not be assessed the Monthly Customer Charge.

CUSTOMER FACILITIES

The Customer shall design, furnish, install, own, operate and maintain in good order and repair, and at no cost to the Company, facilities such as relays, isolating switch, other necessary switches, synchronizing equipment, control and protective devices designated by the Company as necessary for parallel operation with the Company system to permit safe and practical operation.

The Customer's generation and interconnection facilities shall meet all applicable local

codes, all applicable provisions of the National Electric Code and the National Electric Safety Code, as such codes now exist or as they may be amended, and all applicable and prudent safety and electrical practice standards.

The Customer's generation equipment shall not be interconnected with the Company's system without the prior written consent of the Company.

INTERCONNECTION COSTS

Customers under this rate schedule shall be subject to a charge for interconnection costs.

Interconnection costs are the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, engineering and administrative costs incurred by the Company related to the installation of the physical facilities necessary to permit interconnected operations with a Qualifying Facility, to the extent such costs are in excess of the costs that the Company would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy or capacity itself or purchased an equivalent amount of electric energy or capacity from other sources.

The Company shall provide a detailed estimate of the cost of interconnection within four (4) weeks of receipt of the approved written application for interconnection. The Customer shall pay the full amount of the estimated interconnection costs at the time notice to interconnect is provided to the Company.

Upon completion of the interconnection, the actual costs shall be computed by the Company and reimbursements for the difference between the actual and estimated cost of interconnection, if any, shall be made to the appropriate party. In addition, customers with a design capacity greater than 100 kW shall pay an annual charge of 4.5857% of the capital costs of interconnection to provide for the recovery of property taxes, revenue related taxes, depreciation expense, and operation and maintenance expenses. The annual charge of 4.5857% is payable by the Customer in monthly installments at the rate of one-twelfth (1/12) of the annual charge per month.

OPERATION OF FACILITIES

The Customer shall notify the Company before the initial energizing and start-up testing of the Customer-owned generator and the Company shall have the right to have a representative present at such test.

The Customer shall provide, at all times, ingress and egress to the isolating switch which

will isolate the Customer's generation from the Company's electrical system.

The Customer shall permit the Company's agents and employees to enter upon the Customer's property at any reasonable time for the purpose of inspecting or testing the generation and interconnection facilities to ensure continued safe operation and the accuracy of the Company's metering equipment; provided, however, such inspections shall not relieve the Customer from its obligation to maintain the generation and interconnection facilities. The Company shall not, by reason of the inspection, be responsible for the design, adequacy, capacity, operation, or any combination thereof, of the Customer's generating equipment and other customer-owned electrical equipment.

The Company retains the right to require the Customer to limit production of energy to an amount no greater than the Customer's load as electrical operating conditions warrant.

BILLING STATEMENT

The Company shall prepare a monthly statement showing the customer charge, kWh delivered to the Company for the monthly billing period and the total amount due the Customer. The Company shall submit the statement and the net payment, if any, to the Customer approximately twenty (20) working days from the meter reading date.

The Company will normally credit the payments to the Distributed Renewable Generation Customer’s monthly electric service bill. If the payment for non-firm energy supplied to the Company exceeds the total of the Customer’s monthly electric service bill, a credit balance of not more than $50.00 will be carried forward to the Customer’s next monthly bill. The Company shall refund to the Customer a credit balance that is not carried forward, or the portion of a credit balance that exceeds $50.00, if the credit balance is carried forward.

INDEMNITY

The provisions of the Indemnity Clause in the Customer's contract for service under this rate schedule will apply.

TERMS AND CONDITIONS

Service supplied under this rate schedule is subject to the Company's Rules and Regulations on file with the Public Utility Commission of Texas and available for inspection at Company offices. The contract provisions applicable to service under this rate schedule shall also apply.

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The Company and the Customer shall enter into a written contract for the interconnection and parallel operation of the Customer's generation with the Company's electrical system.

The term of the contract shall not be less than one (1) year.