GUAM POWER AUTHORITY

SCHEDULE "M"

Standby, Auxiliary, Supplementary or Breakdown Service for Customers with Demands of 200 Kilowatts or More

Applicability:

Applicable to Customers of the Guam Power Authority (Authority) having generating facilities on their premises that have an electrical capacity in excess of 200 kilowatts and are interconnected with the Authority's electric system, and whose net generation exceeds 10% of the customer's Total Load. Such Total Load shall be determined with reference to the (12) twelve months prior to the installation of the generating facilities or for the latest (12) twelve months for customers with existing generation.

The Authority shall provide a standard contract form to the customer and the customer shall submit to the Authority an executed contract for service under this schedule and must comply with all of the requirements for interconnection with the Authority as specified in the standard interconnection requirements provision of the Tariff.

This Schedule will not apply where the Customer's own generating facilities are used exclusively for emergency service in case of failure of the normal supply from the Authority or where the Customer has a contract with the Authority to both purchase and sell firm electricity. This Schedule also shall not apply to Customers who separate electrically from the Authority's power system when service from the Authority is not available to the Customer.

Type of Service:

The Authority will furnish power for standby service hereunder. The type of service supplied will depend upon the voltage level of interconnection with the Authority.

Definitions:

<u>Total Load</u>: The total required electrical capacity of a Customer in kilowatts, averaged over an interval of 15 minutes, including the capacity supplied by Customer's generation facilities in that interval.

<u>Contract Standby Demand</u>: The level of capacity in kilowatts that the Customer requires during instances when the Customer's on-site generation is experiencing a full or partial outage and that is not matched by a commensurate reduction in use. The Contract Standby Demand shall not exceed the Customer's total on-site generation capacity.

SCHEDULE "M" (Continued)

<u>Coordinated Maintenance Period</u>: Any period during which one or more of Customer's generation units are shut down for maintenance and the Authority has accepted in advance the Customer's notice of such maintenance

<u>Standby Demand</u>: The level of capacity in kilowatts that is calculated as the Contract Standby Demand less the Customer's generation in an interval. In no instance will the Standby Demand be less than zero.

Standby Energy: Standby Energy volume will equal the sum of kilowatthours that is calculated as the Contract Standby Demand less the Customer's generation in each hour of the monthly billing period as measured by interval metering.

<u>Contract Supplemental Demand</u>: The level of capacity in kilowatts that the Customer requires in excess of the Customer's net generation.

<u>Supplemental Demand:</u> The level of capacity in kilowatts in any interval equal to the Total Load in the interval minus the sum of any Standby Demand and the Customer's net generation taken in that interval.

<u>Supplemental Energy</u>: Supplemental Energy volume will equal total kilowatthours delivered by GPA minus Standby Energy for the billing period.

<u>24-Hour Day</u>: A 24-hour period beginning at 12:00 midnight standard time and concluding at 12:00 midnight on the following day.

Annual Outage Rate: The number of hours in (12) twelve consecutive months in which Customer's generating facilities are out of service divided by 8,760 hours.

This Schedule is not available for purchase by the Authority of the entire output of the Customer's generator in excess of auxiliary load.

Customer Charge:

The Customer Charge per month shall be \$484.00.

Standby Service:

I. Monthly Charge - Contract Standby Demand \$19.93 per kW-mo + \$0.22 per kW-mo for each percentage point by which Customer's Annual Outage Rate exceeds 5%, with a maximum charge of \$25.43 per kW-mo.

SCHEDULE "M" (Continued)

II. Daily Charge – As-Used Standby Demand
\$2.49 per kW-day - \$0.03 per kW-day for each percentage point by which Customer's Annual Outage Rate exceeds 5%, with a minimum charge of \$1.74 per kW-day.

The As-Used demand charges will be based on the maximum Standby Demand in each 24-hour day during the month for which the bill is rendered, measured as the highest 15 minute interval of standby demand occurring in each 24-hour day.

The Annual Outage Rate shall be calculated annually each October, using actual performance data for the most recent (12) twelve months ending in September, and shall be rounded to the nearest whole percentage point. For new facilities with less than (12) twelve full months of historical data for the calculation period, the Annual Outage Rate shall be deemed to be 10%.

Customer shall provide the Authority with 30 days advance written notice of planned maintenance outages, specifying the starting date and duration of the planned outage. Outages that are coordinated and accepted by the Authority will not count towards the Contract Standby Demand.

Coordination of Outage:

If the Customer chooses to work together with the Authority to schedule a maintenance outage taking into consideration GPA's generation maintenance schedule and capacity available in the GPA System, coordinated outage rules will apply. Coordinated Maintenance Periods shall not include more than sixty (60) weekday hours between 6 p.m. and 9 p.m., in any twelve month period. The Authority shall not unreasonably withhold its acceptance of proposed maintenance schedules. The daily charge for As-Used Standby Demand shall be waived during days in a Coordinated Maintenance Period

Supplemental Service:

The Authority will provide supplemental service to the Customer in an amount equal to the Customer's Supplemental Demand under the standard demand and non-fuel energy rates and terms that would otherwise apply to the Customer without its own generation facilities.

Fuel Charges Applicable to Standby Service:

The fuel charges shall be determined monthly based on the Standby Energy kWh measured in the billing month and shall be charged the applicable Schedule "Z" charge per kWh.

28

SCHEDULE "M" (Continued)

Insurance Charge:

An insurance charge of \$0.00290 per kWh shall be billed monthly unless suspended by the Authority when Commission insurance reserve criteria have been met. The Authority may reinstate the insurance charge when Commission reinstatement criteria have been met. The insurance charge will be suspended or reinstated in conjunction with the Navy insurance charge.

Emergency Water Well and Wastewater Charge:

An Emergency Water Well and Wastewater charge of \$0.00279 per kWh will be billed monthly unless otherwise ordered by the Commission.

Working Capital Fund Surcharge:

A Working Capital Fund (WCF) Surcharge of was established by the Public Utilities Commission (PUC) on June 20, 2011. The surcharge allows adjustments every six months to enable the Authority to recover increases or decreases in the Working Capital Fund Requirement caused by the increasing or decreasing price of fuel. GPA will petition the PUC in conjunction with its Levelized Energy Adjustment Clause filings every June 15 and December 15 for the increase or decrease required to ensure the Authority is able to meet this funding requirement

Purchase of Excess Energy:

The Authority may purchase excess energy from the Customer when the Customer's generation output exceeds the Customer's load in an interval, at the applicable Schedule "Z" charge per kWh.

SCHEDULE "M" (Continued)

Metering:

Separate meters may be installed for the measurement of supplemental energy provided by the Authority and excess energy purchased by the Authority under this Schedule. Any excess issued energy meter shall be equipped with compensation to reflect delivery of such energy to the high voltage side of the transformer installation.

In the event the Customer requests an additional meter for standby service, the customer shall pay the cost of the meter and installation.

Power Factor Correction:

When the average monthly power factor of the power required by the Customer from the Authority is less than 95 percent, The Authority may correct the integrated demand in kilowatts for that month by multiplying by 95 percent and dividing by the average power factor in percent for that month. When the average monthly power factor of the power supplied by the Customer to the Authority is less than 90 percent or greater than 97 percent, the Authority may correct the maximum integrated on-peak demand in kilowatts or the energy in kilowatt-hours, as appropriate. The Authority reserves the right to install facilities necessary for the measurement of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Authority.

Limitation of Capacity:

The Authority shall not be required to supply electricity at a rate greater than the "Contract" demand and may, at its option, limit the capacity of the service connection to conform with the "Contract" demand. The circuit breaker and other equipment necessary for the purpose shall be paid for by the customer but will be maintained and operated by the Authority.

Parallel Operation:

The operation of the customer's plant in parallel with the Authority's system will be permitted when special approval is granted by the Authority in which case the Authority shall specify the terms and conditions for such parallel operation.

SCHEDULE "M" (Continued)

Special Terms and Conditions:

Special Facilities:

- 1. Special facilities are considered to be existing, enlarged or new facilities installed and/or used by the utility at the applicant's request in addition to, as enlargements of, as alternate to, or in substitution for, the standard facilities which the utility would normally install or use and which represents additional costs to the utility over normally installed facilities. Except where provided by rate schedule, installation of special facilities will be made, provided the type of special facilities requested is acceptable to the utility and the utility agrees to the installation of the special facilities, under the following conditions:
 - a. The applicant for special facilities is also an applicant for permanent contract electric service under this schedule or is a customer for permanent electric service at the same location.
 - b. The applicant will execute a contract covering the installation of special facilities as part of the contract for service hereunder. In addition to providing for the payment of charges as determined under a regularly filed rate schedule, the contract will provide for the following:
 - (1) The payment of a facility charge equal to 2.25% per month of the estimated installed cost of the special facilities as determined by the utility.
 - (2) The payment of the net amount of the sum of the estimated installed cost of the special facilities added, plus the estimated cost of removal of these special facilities less the estimated salvage value of removal materials. This payment will be made in the event the applicant terminates the use of the special facilities at any time within (5) five years immediately following the date the special facilities are ready for service to applicant.
- 2. Where, at the Authority's election, special facilities have been or are to be provided to service a customer under this schedule, the contract hereunder will incorporate the above mentioned terms as applicable in addition to other provisions contained in this schedule.

Rules:

Service supplied under this rate shall be subject to the Service Rules of the Authority.

Riders:

Charges in addition to the above are applicable under certain conditions more specifically set forth and incorporated herein.

Schedule A - Accommodation Service Charges Schedule B - Service Establishment Charges

Schedule C – Net Metering