

Irrigation System Grant Program

Program Description:

The Delaware Electric Cooperative (DEC) Irrigation Grant Program is designed to assist those irrigation systems currently using a fossil fuel distributed generator to operate their system to convert to an electric system while participating in DEC's Demand Side Management (DSM) controlled load program. The program is also available for new irrigation services meeting the qualifications of the program however the program is not retroactive for existing accounts.

Funding:

This is a pilot program, effective November 1, 2011, for DEC and funding is limited. DEC has seeded the fund with \$300,000 for the 2011-2012 year. The Cooperative will provide the grower's 50% cost share for installations up to a total Cooperative investment of \$15,000 per installation for infrastructure installed across the grower's property. Example: Cooperative pays \$7,500 and Cooperative covers the growers \$7,500. Any infrastructure investment required after that would be under the existing terms of the tariff. The grower has the option to mitigate the cost of installation by supporting installation costs, trenching, etc.

Eligibility & Qualifications:

Only those systems which have a minimum of 40kW load are eligible for program funding. Funding is limited and DEC reserves the right to discontinue the program without notice. As a condition for grant qualification recipients must agree that the new electric irrigation service will be placed on the DEC Large Commercial – Controlled Load¹ rate and operate within the requirements of that rate schedule. The Cooperative would reserve the right to select the cost share candidates based on electrical system requirements, focusing on the most cost efficient installations first. All additional infrastructure requirements will be handled according to the terms and conditions in our electric service tariff. Member-owners of DEC shall be limited to one grant under this program.

Term of Contract:

In exchange for a DEC grant recipients will be required to sign a contract for Controlled Load Service for a minimum of sixty (60) months. Member-owners who fail to comply with the terms of the contract or who discontinue use of, have the irrigation system non-functional or the account is disconnected due to non-payment shall reimburse DEC a pro-rata share of the full grant value.

¹ See attached tariff sheet for LC-CL rate.

Irrigation Grant Contract

This Agreement made on _____, 20____ between Delaware Electric Cooperative, Inc. (DEC) and _____ a member-owner of DEC to participate under the requirements of the Irrigation Grant Program hereby agree as follows:

In consideration of a grant amount of \$_____ the member-owner shall deliver to DEC _____ kW peak load under account no._____.

1. Rate Schedule

Service rendered under the Irrigation Grant Program shall be in accordance with the DEC Large Commercial-Controlled Load Rate schedule (LC-CL) as it may exist from time to time and subject to the provisions of power cost adjustment schedules.

2. Service Characteristics

Service under the LC-CL shall be alternating current, sixty cycles, _____ volts, _____ phase(s).

3. Payment

The member-owner shall pay DEC for service hereunder at the rates and upon the Terms and Conditions on file as approved as they may exist from time to time. Notwithstanding any provisions of the current Rate Schedule and irrespective of the member-owners requirement for or use of electric power and energy the member-owner shall pay DEC not less than the minimum required amount for having service available during the term hereof and any amount of Contribution in Aid of Construction (CIAC) based on the current Terms and Conditions as well as the Policies of DEC.

4. Continuity of Service

DEC shall use reasonable diligence to provide a constant supply of electric power and energy in accordance with the appropriate Rate Schedule for Controlled Load Service during non-peak periods.

If the supply of electric power and energy shall fail, or be interrupted, or become defective through an act of God, government authority, action of the elements, public enemy, accident,

strikes, labor troubles, required maintenance work, inability to secure right of way, or any other cause beyond the reasonable control of DEC, DEC shall not be liable therefore or for damages caused thereby.

The member-owner shall abide by the conditions of such Rate Schedule and curtail use of service during specified peak periods according to this agreement. Failing this the billing for that period will automatically revert to the appropriate peak service rate schedule.

Peak controlled periods shall be 1) pre-specified within the Rate Schedule, as it may exist from time to time, 2) determined by member-notification by DEC, or 3) through the DEC control of the member-owners service equipment. Member-owner notification may be by either contracting a direct dial telephone message or by a Fax message to the member-owner. The DEC will be responsible for send the Fax message. In both cases it will be assumed the member-owner received notification and must respond appropriately. To the extent possible DEC will provide the member-owner with early notification of control periods but in any event by the minimum period specified in the appropriate Rate Schedule.

Communications

The Delaware Electric Load Control Information direct dial line is (302) 349-3175.

If the member-owner desires a text message notification: (____) - _____ - _____.

If the member-owner desires a facsimile notification: (____) _____ - _____.

Motor Installations

See section 14 of the Terms & Conditions for the parameters of service for motor installations. This section is incorporated into this agreement by reference.

Right of Access

Duly authorized representatives of DEC shall be permitted to enter the member-owners premises at all reasonable times in order to carry out the provisions of this agreement.

Term of Agreement

This agreement shall become effective on the date above and shall remain in effect for sixty (60) months from the date of this agreement and thereafter on a month to month basis until terminated by either party giving the other party two (2) months notice in writing. Member-owners who fail to comply with the terms of the contract or who discontinue use of, have the irrigation system non-functional or the account is disconnected due to non-payment shall reimburse DEC a pro-rata share of the full grant value.

The member-owner agrees as a member of DEC to be bound by the provisions of the Articles of Incorporation and Bylaws of DEC and by such rules and regulations as may from time to time be adopted by DEC.

Succession

This agreement shall be binding upon and insure to the benefits of the successors, legal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR ABOVE WRITTEN.

Delaware Electric Cooperative

Attest: _____
Signature

Member-Owner

Attest: _____
Signature

LARGE COMMERCIAL - CONTROLLED LOAD
SCHEDULE LC-CL

1. AVAILABILITY

Available to Members of the Cooperative taking service at one point of delivery having an average monthly demand of 20 kilowatts or more during the previous twelve (12) months and having the ability to control peak load during specified periods when the Cooperative is experiencing its monthly peak.

The Cooperative reserves the right to restrict the amount of off-peak power available to any individual customer and to restrict the total amount of off-peak power available on its system.

2. TYPE OF SERVICE

Alternating current, sixty (60) cycle, single or three phase, secondary or primary, at available standard voltage. Phasing and voltage shall be at the option of the Cooperative.

3. MONTHLY RATE

The monthly charges and rates under this Service Classification are:

<u>Service Classification</u>	<u>Billing Rates</u>
Distribution Delivery Service	
Customer Charge	\$14.90
Distribution Charge	
All kWh	\$0.013790
Demand Charge \$/kW Control Period	-
Demand Charge \$/kW Non-Control Period	\$2.55
Renewable Resource Fund	\$0.000178
Energy Efficiency Fund	\$0.000900
Energy Supply Service	
Transmission Service Charges	
Transmission Demand Rate \$/kW Control Period	\$0.850000
Ancillary Service Demand Rate \$/kW Control Period	\$0.080000
Ancillary Service Rate \$/kWh	\$0.002260
Electric Supply Service Charge	
All kWh	\$0.032970
Demand Rate \$/kW Control Period	\$11.20
Demand Rate \$/kW Non-Control Period	-

LARGE COMMERCIAL - CONTROLLED LOAD

SCCHEDULE LC-CL (Continued)

4. BILLING DEMAND

The billing demand shall be the sum of the maximum kilowatt demands established by the Member for a period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter for both the control period and non-control period so long as the control period demand is not higher than the non-control period. If it is higher, the excess kilowatt demand above the maximum of the non-control period shall be added to the non-control period demand billing to assure payment for the local distribution network capacity.

5. MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge, except as may be increased by contract based on the investment in transformation and facilities required. A minimum kilowatt demand level may be set to justify the investment.

6. NOTIFICATION OF CONTROL PERIODS

The Member has a choice of notification methods for the projected control periods during the month. Notification will be done at least one hour before the control period, except in an emergency. These methods are:

A. Fax notice to Member's designated agent;

B. Electronic activation of switch to turn on or turn off certain controls controlling load which the Member wishes to control. In the latter case, Delaware Electric Cooperative will not be responsible, beyond a good faith effort to get a positive signal through to the service location to be controlled. The Member shall provide an access point in the control wiring for Delaware Electric Cooperative to install an electronic signal device. After its installation, it shall be responsibility of the Member to ensure the safe and appropriate starting and shutdown of the load controlled. The Member shall hold Delaware Electric Cooperative harmless from all claims arising from the installation, operation, maintenance, and removal of its signal switch.

7. POWER FACTOR ADJUSTMENT

In any month in which the power factor for any Member is less than 90%, the Cooperative will increase the Member's billing demand otherwise determined by one percent (1%) for each full percent by which the Member's power factor falls below 90%.

8. ELECTRIC SUPPLY SERVICE

Until such time that the Member has the right to purchase its electric supply services from an Electric Supplier, other than the Cooperative, the Cooperative shall provide combined Electric Supply and Delivery Service for the Member. When the Member has the right to select an

Electric Supplier and has not exercised that right, then the Cooperative shall be the electric supplier and shall provide combined Electric Supply and Delivery Service for the Member. If a Member with a peak monthly demand of 300 kW or more has purchased its electric supply services from an Electric Supplier other than the Cooperative and then returns to the Cooperative for its electric supply services, the Member must remain with the Cooperative's Electric Supply Service for at least twelve (12) months before the Member may select another Electric Supplier.

9. PUBLIC UTILITIES TAX

In addition to the charges provided for herein, the Cooperative shall bill monthly an additional amount equal to the applicable taxable amount, in accordance with the laws of the State of Delaware.

10. CONTRACT TERM

All Members served under this Schedule must sign a contract with the Cooperative for service. The term of such contract shall be not less than twelve (12) months. When the Member requires facilities over and above that normally furnished, including transformer size, voltage or other equipment, the Cooperative may require a higher minimum or longer term contract.

11. TERMS AND CONDITIONS

The terms and conditions, applicable to Electric Delivery or Electric Supply and Delivery Service for the Members of the Delaware Electric Cooperative, Inc. shall govern, where applicable, the delivery of service under this service classification.

12. TERMS OF PAYMENT

The bills are due when rendered and past due in twenty-seven (27) days from the date of the bill. Upon written notice of past due account and notice of termination of service, the Cooperative may terminate service.