

SCHEDULE SG**COGENERATION AND SMALL POWER PRODUCTION**AVAILABILITY

Available to all Qualifying Facilities as covered by PURPA Section 210 within the SMECO service area with a generating capacity of 100 kW or less. Facilities having capacity greater than 100 kW will be governed by individual contract subject to review and approval by the P.S.C. of Maryland.

DELIVERY VOLTAGE

As specified by the Cooperative.

MONTHLY RATES

The Cooperative shall purchase electric energy from Qualifying Facilities at the following rates.

	<u>June through Sept</u>	<u>Oct through May</u>
1988	.7922 cent/kWh	.4922 cent/kWh
1989	.8179 cent/kWh	.5179 cent/kWh
1990	.8379 cent/kWh	.5380 cent/kWh

FUEL ADJUSTMENT ADDER

Monthly fuel adjustment adder will be the product of the energy sold to the Cooperative times the fuel adjustment adder charged by the Cooperative's power supplier on the most recent wholesale power bill.

(For information, in 1987 this adder averaged 1.914673 cents/kWh.)

INSURANCE

A Qualifying Facility must provide proof of the purchase of liability insurance, as discussed in Part VII B of the Cooperative's Tariff. A facility may request the Cooperative to reduce or waive the insurance requirements where it believes such insurance is excessive and unreasonable. If the Cooperative disagrees and refuses to grant the requested reduction or waiver, the facility may then apply to the Public Service Commission requesting such reduction or waiver.

PAYMENT TERMS

The Cooperative shall read the meter at approximately 30-day intervals. Credit to the Qualifying Facility shall first be applied to outstanding bills and then accumulated up to a balance of \$25.00 or more, which shall then be refunded.

POWER FACTOR

The Qualifying Facility agrees to maintain unity power factor as nearly as possible. The Cooperative reserves the right to measure the power factor. Should such measurements indicate that the average power factor is less than 90 percent, the recorded kWh supplied to the system will be multiplied by the power factor to obtain the billing kWh.

METERING EXPENSE

The Qualifying Facility is responsible for the metering costs incurred by the Cooperative. The Cooperative will provide estimated metering costs which will provide full disclosure of all costs for the proposed facility to any interested person. Typical metering costs for 1987 were as follows:

Type Service	Costs
Single-phase 120/240V	\$125.00
Three-phase 120/208V	\$450.00
Large services over 200 amps with C.T.'s	
Three-phase 120/208V	\$720.00

Payment of actual metering costs may be paid on a monthly basis spread over a three-year period subject to interest payments at the rate of 9 percent, after a one fourth down payment.

ADDITIONAL REQUIREMENTS

The Qualifying Facility must refer to Part VII of Southern Maryland Electric Cooperative, Inc.'s Tariff and any supplements thereof for specific requirements for the particular cogeneration or small power generator to be connected to the system.