ELECTRIC RATE SCHEDULES

COMMUNITY SOLAR GARDEN PROGRAM

AVAILABILITY

The Community Solar Garden Program (“Program”) is available under the terms and conditions of this rate schedule to all Customers taking service under Utilities’ electric rate schedules. All Customers that participate under this rate schedule must hold evidence of ownership to, a subscription as evidence of beneficial use of, or an entitlement to the electric generating capacity of a Community Solar Garden Facility (“Customer Solar Garden Interest”). Customers may choose any Community Solar Garden Facility that conforms to this rate schedule.

The choice of a Community Solar Garden Facility and the purchase of a Customer Solar Garden Interest is solely the responsibility of the Customer and are undertaken at the Customer’s risk. Utilities makes no representations or warranties concerning the Community Solar Garden Facility and its operation and maintenance and its financial viability or the continued usefulness of any Customer Solar Garden Interest.

COMMUNITY SOLAR GARDEN FACILITY

A Community Solar Garden Facility for purposes of this rate schedule is a photovoltaic electric generating installation having a nameplate rating of not less than 0.5 megawatts Alternating Current (MWAC) and not more than 2.0 MWAC in electric generating capacity and the owning entity that has executed an Interconnection Agreement with Utilities. If the Interconnection Agreement is extended, Utilities will retain the Renewable Energy Credits through the extension period at no additional cost. The physical location of any Community Solar Garden Facility under this rate schedule shall be within the electric service territory of Utilities and any electric power produced by the Community Solar Garden Facility shall be consumed within the electric service territory of Utilities. All costs of interconnection for the Community Solar Garden Facility shall be borne and paid by the legal owner of the Community Solar Garden Facility.

This Program will allow for up to 2.0 MWAC of electric generating capacity to be added to the Utilities portfolio of Distributed Generation resources.

REQUEST FOR PROPOSAL PROCESS

1) A Request for Proposal (“RFP”) selection process will be used to select the Community Solar Garden developer(s) that will be allocated capacity and will build Community Solar Garden Facilities for the Program. Utilities shall issue an RFP in accordance with its standard policies and in doing so shall indicate the materials, documents, and information, including but not limited

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REQUEST FOR PROPOSAL PROCESS – cont’d

to the respondent’s proposed Performance Based Incentive (“PBI”), that must be submitted by a respondent to properly comply with the RFP and be considered in the evaluation process.

2) Each respondent to the RFP will be required to show good standing with the Colorado Secretary of State and to meet a minimum financial hurdle. Examples may include, but are not limited to:

A) A Dun and Bradstreet minimum Financial Profile,
B) An Altman Z Bankruptcy Rating, and/or
C) A Credit Rating.

3) Each respondent to the RFP may be required to provide evidence of its ability to secure a performance bond and/or third party escrow account sufficient to cover the anticipated construction and/or operational cost of its project upon award of Community Solar Garden capacity, assuring the Community Solar Garden Facility is constructed in accordance with Utilities’ Interconnection Standards.

4) Each respondent to the RFP will be required to meet a minimum operational hurdle of having built and/or operated a 0.5 MW solar garden or array, interconnected to a utility system, for at least a period of one year.

5) All RFP respondents providing evidence of the ability to secure a performance bond and/or establish an escrow account and meeting the minimum financial and operational hurdles will have their RFP responses scored based on additional factors and in accordance with Utilities’ standard policies to determine the best value for Utilities and its Customers. Utilities will award capacity accordingly.

COMMUNITY SOLAR GARDEN FACILITY CUSTOMER QUALIFICATIONS

Each Customer Solar Garden Interest shall not be sized larger than one hundred twenty percent (120%) of the Customer's previous twelve (12) month kilowatt-hour (kWh) usage at the individual Premises as represented in Utilities’ Customer Information System.

The twelve (12) month kilowatt-hour average usage shall be based on a period that begins on January 1 and ends on December 31 of the previous calendar year. In the case of new construction or the creation
COMMUNITY SOLAR GARDEN FACILITY CUSTOMER QUALIFICATIONS – cont’d

of a new utility account, Utilities’ will determine a 12 month kilowatt-hour average usage based on input from the Customer.

A single Customer may not present for participation under this rate schedule for Customer Solar Garden Interests representing more than forty percent (40%) of a single Community Solar Garden Facility’s MWAC capacity under this Program. Individual Premises controlled by a single Customer will be aggregated to reach this forty percent (40%) limit.

CUSTOMER PARTICIPATION UNDER THIS RATE SCHEDULE

A Customer desiring to take service and receive customer credits and/or PBI under this rate schedule shall present to Utilities evidence of the Customer’s Solar Garden Interest, such as a lease, ownership agreement, or other subscription document and the address of the Premises to which the Customer Solar Garden Interest shall be applied. The Customer Solar Garden Interest shall be for the sole benefit of the Customer at the Premises to which the interest is assigned. Acquiring an interest with the intent to receive the PBI and/or Customer Credit only until the interest can be transferred to another Customer is prohibited. A Customer may present to Utilities for service under this rate schedule a Customer Solar Garden Interest in any Community Solar Garden Facility that has executed an interconnection agreement with Utilities and proposes to have Customers that participate under this rate schedule.

The choice of a Community Solar Garden Facility and the purchase of a Customer Solar Garden Interest is solely the responsibility of the Customer and are undertaken at the Customer’s risk. Utilities makes no representations or warranties concerning the Community Solar Garden Facility and its operation and maintenance and its financial viability, or the continued usefulness of any Customer Solar Garden Interest.

Any questions regarding the Community Solar Garden Facility and its operations, as well as questions concerning a Customer Solar Garden Interest must be directed by the Customer to the Community Solar Garden Facility.

If the Customer chooses to end their participation in this Program, the Customer may arrange with the Community Solar Garden Facility to do the following:

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CUSTOMER PARTICIPATION UNDER THIS RATE SCHEDULE – cont’d

1) Transfer the Customer Solar Garden Interest to another Premise within Utilities’ electric service territory. Upon any such transfer to a different Premise, the Customer must demonstrate that the Customer Solar Garden Interest complies with the sizing requirements of this rate schedule under the Community Solar Garden Facility Customer Qualifications section of this rate schedule.

2) Transfer the Customer’s Solar Garden Interest to another Customer, who shall apply that interest to another Premises within Utilities’ electric service territory. Upon any such transfer to a different Customer, the new Customer must demonstrate that the Customer Solar Garden Interest complies with the sizing requirements under the Community Solar Garden Facility Customer Qualifications section of this rate schedule for the new Premises.

If a Customer fails to transfer their Solar Garden Interest prior to ending electric service with Utilities, then the Customer’s Solar Garden Interest shall cease to be applied to any Customer electric account. In consideration of Utilities accepting into the Utilities Electric System the non-applied generation and adjusting the Utilities Electric System operations to accept such non-compliant electric generating output of the Community Solar Garden Facility, any electric generating output of the Community Solar Garden Facility shall become the property of Utilities at no cost to Utilities from the date that the Customer ceased to be a Customer at the single Premises to which the Customer Solar Garden Interest applied, until the date that:

1) the Customer Solar Garden Interest has been applied to a new Premises of the Customer and all provisions of this rate schedule have been complied with by the Customer, or

2) the Customer Solar Garden Interest has been transferred to another Customer and all provisions of this rate schedule have been complied with by that Customer.

An existing Customer Solar Garden Interest may be transferred to another Customer at any time subject to the following conditions:

1) The existing Customer must transfer the entire Solar Garden Interest. If the new Customer receives only part of the total Solar Garden Interest being transferred then the remaining capacity will enter into an unsubscribed state with no Customer Credit applied until additional subscribers are found.

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CUSTOMER PARTICIPATION UNDER THIS RATE SCHEDULE – cont’d

2) New Customer Solar Garden Interests shall be sized as defined in the Customer Solar Garden Facility section contained herein.

The following documentation shall be submitted to Utilities to complete the Solar Garden Interest transfer process:

1) Release of Customer Community Solar Garden Interest,
2) Community Solar Garden New Subscriber Qualification Form, and
3) A copy of the contract covering the new Solar Garden Interest between the new Customer and the Solar Garden Facility.

FACILITY OBLIGATIONS

On or before the 10th business day after the interconnection date, a Community Solar Garden Facility will be required to confirm all Customers participating in the Community Solar Garden. Each of those Customers must have met all requirements as defined in the Community Solar Garden Customer Subscriber form. This confirmation will be accomplished via approved electronic interactions between Utilities and the Community Solar Garden Facility.

On or before the 5th business day of each subsequent calendar month Utilities will provide the Community Solar Garden Facility with a bill stating the total electric generating output of the Community Solar Garden Facility. The electric generating output of the Community Solar Garden Facility shall be determined by subtracting the previous month’s meter read from the current months meter read, or such other monthly period as defined by Utilities. On or before the 7th business day after Utilities mails the bill, the Community Solar Garden Facility must electronically verify the electric generating output prior to Utilities applying the appropriate credits to the applicable Customers’ bills.

Additionally, the Community Solar Garden Facility shall provide, through approved electronic interactions with Utilities, any Customer additions, transfers, or account changes. If any transfer or change of information is not provided by the Community Solar Garden Facility to Utilities in the time frame indentified herein, then Utilities shall not be required to comply with the Customer Credit section of this rate schedule for any period during which such information was not provided to Utilities. Additionally, Utilities shall not be required to provide retroactive credits to Customers for any such period of non-compliance by the Community Solar Garden Facility.

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UNSUBSCRIBED POWER

The Community Solar Garden Facility is responsible for balancing its electric generation input into the Utilities Electric System to comply with this Tariff. Any electric generating output of the Community Solar Garden Facility that is a) received into the Utilities’ Electric System, and b) not accounted for by the Community Solar Garden Facility as attributable to a specific Customer or a specific Customer Solar Garden Interest shall be purchased by Utilities for a period of one calendar year from the date the Community Solar Garden Facility is interconnected. At the end of one year, the purchase of unsubscribed power will be solely determined by Utilities. Utilities shall not be obligated to purchase unsubscribed power from a Community Solar Garden Facility after expiration of the one year period described herein.

At the date of interconnection of a Community Solar Garden Facility, Utilities and the Solar Garden Facility will determine the amount of capacity (kW) that remains unsubscribed. Utilities will purchase the energy (kWh) produced by the agreed amount of unsubscribed capacity for one calendar year from the interconnection date subject to the following:

1) As the remaining capacity is subscribed, the energy purchased by Utilities will be reduced by an equivalent amount.

2) If, at any time, previously subscribed capacity becomes unsubscribed, the energy produced by that capacity will not be purchased by Utilities.

UNSUBSCRIBED POWER PURCHASE RATE

The purchase rate for unsubscribed power from qualifying Facilities will be Utilities’ average monthly purchase power cost during the previous calendar year as per the Utilities recorded monthly purchase power costs. For unsubscribed power not purchased by Utilities as described above, in consideration of Utilities accepting into the Utilities Electric System the unsubscribed generation and adjusting the Utilities Electric System operations to accept such unsubscribed electric generating output of the Community Solar Garden Facility, Utilities shall be entitled to retain at no cost, any such unsubscribed electric generation and all Renewable Energy Credits.

CUSTOMER CREDIT

On or before the last day of each calendar month (or such other period as determined by Utilities)

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COMMUNITY SOLAR GARDEN PROGRAM

CUSTOMER CREDIT – cont’d

Utilities shall compute a Customer credit as provided herein. Such credit shall be applied as a line-item adjustment to the next monthly bill for Utilities Electric Service provided to the Customer participating under this rate schedule.

Electric power utilization as presented on each Customer’s bill shall not be revised to account for any Customer credit, and any electric peak demand charge payable shall not be revised due to the Customer credit or any electric power consumption offset by such Customer credit.

The Customer credit shall be computed by multiplying each Community Solar Garden Facility Customer’s percentage interest of the monthly kWh production of the Community Solar Garden Facility with the applicable amount listed in the Rate section of this rate schedule.

The accuracy of the information provided by the Community Solar Garden Facility is solely the responsibility of the Community Solar Garden Facility. Utilities does not warrant the accuracy of the information provided by the Community Solar Garden Facility and will rely on that information when computing the customer credit. Customer questions regarding the accuracy of any information provided by the Community Solar Garden Facility shall be directed to and shall be the responsibility of the Community Solar Garden Facility. If within 90 days from the date of Utilities’ receipt of information from the Community Solar Garden Facility, as required under this rate schedule to compute customer credits, the Community Solar Garden Facility delivers to Utilities corrections to previously submitted information together with a written explanation of why such correction is necessary and appropriate, and such explanation is acceptable to Utilities in its reasonable discretion, then Utilities will make reasonable efforts to revise any customer credits previously applied to Customer bills that utilized the incorrect information.

A Customer credit in excess of the monthly utility bill for the Customer’s billing period shall be carried forward to future bills, and a payment to the Customer of any Customer credit shall not occur unless the Customer has terminated Electric Service with Utilities and has not transferred the Customer Solar Garden Interest to another Utilities account of the Customer within three billing periods. Any such payment will be directed to the Customer’s last known address on file with Utilities, or as otherwise specifically directed by the Customer.

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COMMUNITY SOLAR GARDEN PROGRAM

PERFORMANCE BASED INCENTIVE (“PBI”)

The PBI applicable to each kWh generated by the qualifying Community Solar Garden Facility under this rate schedule shall be in effect and remain fixed for a period of 20 years from the date the Community Solar Garden Facility receives approval to interconnect from Utilities. The PBI will be reflected on the Customer’s monthly bill. The total PBI, not a portion, may be assigned for the 20-year period to the Community Solar Garden Facility by a Customer, or may be credited as a line-item credit on the Customer’s monthly utility bill. If a Customer assigns the associated PBI to a Community Solar Garden Facility, the Customer may not change the PBI assignment.

On or before the last day of each calendar month (or such other period as determined by Utilities) Utilities shall compute the Customer PBI adjustment. The PBI shall be applied as a line-item adjustment to the next monthly bill for Utilities Electric Service provided to the Customer participating under this rate schedule, or paid on a monthly basis to the assignee demonstrated in the Customer’s contractual agreement with the Community Solar Garden Facility.

The PBI adjustment shall be computed by multiplying each Customer’s monthly kWh production from the Community Solar Garden Facility with the PBI amount agreed upon in the RFP process and resulting contract between Utilities and the Community Solar Garden Facility.

RENEWABLE ENERGY CREDITS

In consideration for payment of a PBI all Renewable Energy Credits become property of Utilities for the term agreed upon in the executed Interconnection Agreement and any renewal or extension to the Interconnection Agreement.

RATE

The tariff will be revised in accordance with the applicable rules and regulations governing these Tariffs as approved by the City Council.

The Customer credit will be based on calculating the cost of service for each electric service Customer’s rate class. This Customer credit will be adjusted as applicable with Utilities’ electric rate case filings.

The rate applicable to each kilowatt hour shall be determined by the Customer’s applicable rate class as

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COMMUNITY SOLAR GARDEN PROGRAM

RATE – cont’d

found in the Utilities Rate Credit table contained herein. The Customer Credit Rate for each applicable customer rate class will be calculated using the following formula:

\[(\text{Non-fuel}) + (\text{Fuel and Purchased Power}) + (\text{Capacity}) + (\text{ECA})\]

Utilities Rate Credit Table

<table>
<thead>
<tr>
<th>Customer Rate Class</th>
<th>Customer Credit Rate per Kilowatt-hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential/Small Commercial (E1R, E1C)</td>
<td>$0.0555</td>
</tr>
<tr>
<td>Commercial General (E2C)</td>
<td>$0.0507</td>
</tr>
<tr>
<td>Commercial TOD 1000kWh Min (ETL)</td>
<td>$0.0561</td>
</tr>
<tr>
<td>Industrial TOD 500kWh Min (E8T)</td>
<td>$0.0507</td>
</tr>
<tr>
<td>Industrial TOD 4000kWh Min (E8S)</td>
<td>$0.0494</td>
</tr>
<tr>
<td>Large Light and Power (ELG)</td>
<td>$0.0463</td>
</tr>
<tr>
<td>Military (ECD)</td>
<td>$0.0506</td>
</tr>
</tbody>
</table>

This Program and its rate does not include costs related to distribution of electric power to the Premises, integrating the Community Solar Garden Facility into the Utilities Electric System, administering this Program, or providing standby or firming capacity to the Customer and the Customer’s Premises.

RULES AND REGULATIONS

Service under this rate schedule will be in accordance with the provisions of Utilities’ Rules and Regulations, Line Extension & Service Standards for Electric Service, the City Code of the City of Colorado Springs, the Colorado Revised Statutes, and the conditions of any associated agreement with the Customer or with the Community Solar Garden Facility.

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