

SPECIAL RULES GOVERNING APPLICATION OF RATE PAE

By order of the Alabama Public Service Commission dated July 1, 2008 in Docket #18005.

PAGE 1 of 5		EFFECTIVE DATE August, 2008 Billings
-----------------------	--	--

1. A Customer shall not operate electric generating equipment in parallel with the Company's electric system without the written consent of the Company.
2. Each party hereto shall use reasonable care not to damage the electrical equipment of the other and each party hereto shall reimburse the other party for any injury to employees of the other party or damage to the electrical equipment of the other party resulting from defects in the operation and maintenance of its own electrical equipment or resulting from its negligence or that of its agents or employees, and each party hereto shall indemnify the other party against liability for injury or damage suffered by third parties for any such defects and/or negligence.
3. The Customer's generator output waveform shall be 60 hertz, sinusoidal, and free of harmonic components or fluctuations that may interfere with the quality of electric service to other Alabama Power Company consumers. Determination of interference shall be made by Alabama Power Company consistent with generally accepted or prevailing standards in the electric utility industry.
4. The Customer shall provide the protective equipment necessary to disconnect the customer-owned generation from the Company's electric system in the event of a fault on the Company's electric system, a fault on the Customer's system, or any outage of the Company's electric system. All protective equipment and relay settings necessary for the protection of the Company's system shall be satisfactory to the Company, consistent with generally accepted or prevailing standards in the electric utility industry, prior to operation of the Customer's generation in parallel with the Company's electric system. All inverters that meet the requirements of UL Standard 1741 will be deemed to satisfy this requirement.
5. When required, the Customer shall provide and maintain, at Customer's expense, synchronizing equipment that is satisfactory to the Company, consistent with generally accepted or prevailing standards in the electric utility industry.
6. All metering equipment necessary to meter two-way electrical energy flow in excess of metering necessary for a similar consumer who does not operate electric generation in parallel with the Company's electric system shall be provided, installed, and maintained by the Company. This expense is included in the Customer charge portion of the rate.

SPECIAL RULES GOVERNING APPLICATION OF RATE PAE

By order of the Alabama Public Service Commission dated July 1, 2008 in Docket #18005.

PAGE 2 of 5		EFFECTIVE DATE August, 2008 Billings
-----------------------	--	--

7. Any modification to the Company's electric system made necessary as a result of the Customer's generating equipment operating in parallel with the Company's electric system shall be at the expense of the Customer. If at any time, changes in the characteristics of the Company's electric system make necessary modification of or additions to the Customer's equipment or modification of or additions to the Company's electric system as a result of the Customer's generating equipment operating in parallel with the Company's electric system, such modifications and/or additions shall be at the expense of the Customer. The Customer shall be given actual notice before the Company undertakes any such modification of, or additions to, the Company's electric system.
8. The Customer shall permit the Company, at any time the Company deems necessary, to install or modify any equipment, facility or apparatus to insure the accuracy of its metering equipment as a result of the operation of the Customer's generating equipment. Such installation or modification shall be at the expense of the Customer. The Customer shall be given actual notice before the Company undertakes any such modification of, or additions to, the Company's electric system.
9. Any charges made to the Customer for any equipment provided by the Company or for any work performed by the Company shall not convey title to the Customer for such facilities so required.
10. Since some generators require relatively large amounts of reactive power from the Company's electrical system, the Company may, at its option, determine by test the actual full-load reactive requirements of the Customer's generating equipment and require the Customer to provide capacitors to insure unity power factor, consistent with generally accepted or prevailing standards in the electric utility industry.
11. The Customer shall not energize a Company circuit unless specifically authorized to do so by appropriate authorities of the Company.
12. The Customer shall permit the Company's employees to enter upon Customer's property at any reasonable time for the purpose of inspecting and/or testing the Customer's equipment, facilities, or apparatus to insure their safe operation and to insure the accuracy of the Company's metering equipment. Such inspections shall not relieve the Customer from Customer's obligation to maintain Customer's equipment in safe and satisfactory operating condition.

SPECIAL RULES GOVERNING APPLICATION OF RATE PAE

By order of the Alabama Public Service Commission dated July 1, 2008 in Docket #18005.

PAGE 3 of 5		EFFECTIVE DATE August, 2008 Billings
-----------------------	--	--

13. It is the Customer's responsibility to provide for the protection of Customer's equipment from hazards resulting from parallel operation of the Customer's electric generating facilities and equipment. The Company shall not be liable for damage to the Customer's generating or electrical equipment caused by the Customer's failure to provide reasonable protection.

14. (a). For Customers with an electric generating facility that has a nameplate capacity of 25 kW or less (regardless of whether such Customer is a residential, commercial, or industrial Customer), prior to the start of any interconnection work, the Company may recommend that the Customer obtain liability insurance protecting the Customer from liability resulting from any injuries or damages caused by the installation or operation of any of the Customer's electric generating facilities and equipment or by the Customer's failure to maintain Customer's electric generating facilities and equipment in satisfactory and safe operating condition.

(b). For Customers with an electric generating facility that has a nameplate capacity of more than 25 kW (regardless of whether such Customer is a residential, commercial, or industrial Customer), prior to the start of any interconnection work, the customer shall furnish to the Company evidence of liability insurance, or equivalent security acceptable to the Company in lieu of insurance, protecting the Company, its officers, employees, agents and representatives (the "Insured Parties") from any liability resulting from any bodily injuries or damage to or loss of property caused by the installation or operation of any of the Customer's electric generating facilities and equipment or by the Customer's failure to maintain Customer's electric generating facilities and equipment in satisfactory and safe operating condition. The policy providing such liability insurance shall provide coverage of not less than One Million Dollars (\$1,000,000) for each accident. The insurance policy shall be placed with an insurance company whose financial condition and policy forms are acceptable under the standards of the Insurance Code and the Insurance Department of the State of Alabama, and shall either name the Insured Parties as named insureds or be endorsed to add the Insured Parties as additional insureds under the policy. In addition, the above-required policy shall be endorsed with a provision whereby the insurance company will notify the Company thirty (30) days prior to the effective date of cancellation or material change in the policy.

15. The Customer must comply, and will continue to comply, with all presently existing or future regulations, rules, orders or decisions of all governmental authorities with jurisdiction over the Customer's generating equipment and its operations.

SPECIAL RULES GOVERNING APPLICATION OF RATE PAE

By order of the Alabama Public Service Commission dated July 1, 2008 in Docket #18005.

PAGE 4 of 5		EFFECTIVE DATE August, 2008 Billings
------------------------------	--	---

16. The Company shall have the right to separate from the Customer's generating equipment for:
- A. Company system emergencies and/or maintenance requirements.
 - B. Hazardous conditions existing on the Customer's generating or protective equipment as determined by the Company.
 - C. Adverse effects of Customer's generation to the Company's other electric consumers and/or system as determined by the Company.
 - D. Failure of Customer to maintain any insurance required as a condition to the start of interconnection work.
 - E. Failure of Customer to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Customer's electric generating equipment or the operation of such equipment, which failure of compliance would place in jeopardy the personnel, or property, or service capability of the Company, or would pose a threat of sanction or liability to the Company in the event that it continued interconnection.

The Customer shall provide and install a manually operated and lockable generator disconnect switch, which is accessible to utility personnel at all times.

Such a switch should be located in the vicinity of the delivery point. It will prevent interruption of Company service to the Customer when it is necessary for the Company to separate from the Customer's generating equipment.

17. In the event of separation from the Customer's generating equipment by the Company, the Customer shall not reconnect Customer's generating equipment to the Company's system without specific permission to do so by the appropriate authorities of the Company. In no event will reconnection occur until the Company believes it has received adequate assurance that no conditions that may give rise to separation exist.

SPECIAL RULES GOVERNING APPLICATION OF RATE PAE

By order of the Alabama Public Service Commission dated July 1, 2008 in Docket #18005.

PAGE 5 of 5		EFFECTIVE DATE August, 2008 Billings
----------------	--	---

18. All contracts between the Company and Customers selling electric energy to the Company under Rate PAE shall remain subject to modification or change pursuant to regulations by the Alabama Public Service Commission or its successor in function.
19. Under these Special Rules Governing Application of Rate PAE the word "Customer" means Customer under Rate PAE.
20. The hours for determination of time of day rates are set forth below:

On-Peak Season

Billing Months of June through September:

On-Peak Hours: 10 a.m. to 9 p.m. Monday through Friday, except Holidays listed below.

Off-Peak Hours: 9 p.m. to 10 a.m. Monday through Friday, and all hours on Saturday, Sunday, and Holidays listed below.

Off-Peak Season

Billing Months of October through May:

On-Peak Hours: 7 a.m. to 9 p.m. Monday through Friday, except Holidays listed below.

Off-Peak hours: 9 p.m. to 7 a.m. Monday through Friday, and all hours on Saturday, Sunday, and Holidays listed below.

Holidays:

New Year's Day (January 1), Independence Day (July 4), Labor Day (first Monday of September), Thanksgiving Day (fourth Thursday of November), Christmas Day (December 25). When any of these Holidays fall on a Sunday, the Monday following shall be treated as a Holiday.