

Midwest Energy, Inc. Interconnection Service Agreement

1. Parties. This Interconnection Service Agreement (“Agreement”), dated as of _____ (“Effective Date”), is entered into, by and between Midwest Energy, Inc., a Kansas corporation with a principal place of business at 1330 Canterbury Road, Hays, Kansas (hereinafter referred to as the “Company”), and _____, a _____ corporation with a principal place of business at _____ (“Interconnecting Customer”). (The Company and Interconnecting Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in the Interconnection Tariff Section 1.2.

2. Basic Understandings. This Agreement provides for parallel operation of an Interconnecting Customer’s generator facility (CGF) with the Company EDS to be installed and operated by the Interconnecting Customer at _____ (CGF name, physical address, and Midwest Energy account number, if applicable). A description of the CGF is located in Attachment 2.

The Interconnecting Customer has the right to operate its CGF in parallel with the Company EDS immediately upon successful completion of the protective relays testing as witnessed by the Company and receipt of written notice from the Company that interconnection with the Company EDS is authorized (“Authorization Date”).

3. Term. This Agreement shall become effective as of the Effective Date. The Agreement shall continue in full force and effect until terminated pursuant to Section 4 of this Agreement.

4. Termination. This Agreement may be terminated under the following conditions.

- a. The Parties agree in writing to terminate the Agreement.
- b. The Interconnecting Customer may terminate this agreement at any time by providing sixty (60) days written notice to Company.
- c. The Company may terminate this Agreement upon the occurrence of an Event of Default by the Interconnecting Customer as provided in Section 18 of this Agreement.
- d. The Company may terminate this Agreement if the Interconnecting Customer either: (1) fails to energize the CGF within twelve (12) months of the Authorization Date; or, (2) permanently abandons the CGF. Failure to operate the CGF for any consecutive twelve (12) month period after the Authorization Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.
- e. The Company, upon thirty (30) days notice, may terminate this Agreement if there are any changes in Kansas Corporation Commission regulations or state or federal regulations or laws that have a material adverse effect on the Company’s ability to perform its obligations under the terms of this Agreement.
- f. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. Sections 5, 10, 12, 13, and 25 as it relates to disputes pending or for wrongful termination of this Agreement shall survive the termination of this Agreement.
- g. Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing..

- 5. General Payment Terms.** The Interconnecting Customer shall be responsible for the system modification costs and payment terms identified in Attachment 4 of this Agreement and any approved cost increases pursuant to the terms of Section 5 of the Interconnection Tariff.
- a. Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any cost increase for work to be performed up to a total amount of increase of ten (10) percent only. All costs that exceed the ten (10) percent increase cap will be borne solely by the Company. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the ten (10) percent increase cap, or the Company will suspend the work and the corresponding agreement will terminate.
 - b. Final Accounting. Upon request by the Interconnecting Customer, the Company within ninety (90) business days after completion of the construction and installation of the system modifications described in an attached exhibit to the Interconnection Service Agreement, shall provide Interconnecting Customer with a final accounting report of any difference between (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such system modifications, and (b) Interconnecting Customer's previous aggregate payments to the Company for such system modifications. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.
- 6. Operating Requirements.** Parties shall operate their respective facilities according to Section 6 of the Interconnection Tariff.
- 7. Disconnection.** Disconnection of the facility shall be governed by Section 7 of the Interconnection Tariff.
- 8. Metering.** Metering of the output from the CGF shall be conducted pursuant to Section 8 of the Interconnection Tariff.
- 9. Assignment.** Except as provided herein, Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company's written consent. Any assignment Interconnecting Customer purports to make without Company's written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, Company's consent will not be required for any assignment made by Interconnecting Customer to an affiliate or as collateral security in connection with a financing transaction. In all events, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption.

- 10. Confidentiality.** Company shall maintain confidentiality of all Interconnecting Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved by the Interconnecting Customer in writing.
- 11. Insurance Requirements.** Insurance requirements are specified in Section 10 of the Interconnection Tariff.
- 12. Indemnification.** Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.
- 13. Limitation of Liability.** Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 14. Amendments and Modifications.** No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.
- 15. Permits and Approvals.** Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the CGF. Prior to the construction of system modifications the Interconnecting Customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the CGF the Interconnection Customer will notify the Company that it has obtained all permits necessary. Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.
- 16. Force Majeure.** For purposes of this Agreement, "Force Majeure Event" means any event:
- a. That is beyond the reasonable control of the affected Party; and
 - b. That the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under

this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

17. Notices

- a. Any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company:	If to Interconnecting Customer:
Midwest Energy, Inc.	Name: _____
Engineering Dept.	Attention: _____
PO Box 898	Address: _____
Hays, Kansas 67601	City, State, Zip: _____
Phone: 785-625-3437	Phone: _____
Fax: 785-625-1494	Fax: _____

- b. A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.
- c. The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party’s Notice to the other.

18. Default and Remedies

- a. Defaults. Any one of the following shall constitute “An Event of Default.”
- (1) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, any such failure shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party, or
 - (2) One of the Parties fails to comply with any other provision of this Agreement or breaches any representation or warranty in any material respect and fails to cure or remedy that default or breach within sixty (60) days after notice and written demand by the affected Party to cure the same or such longer period reasonably required to cure (not to exceed an additional 90 days unless otherwise mutually agreed upon), provided that the defaulting Party diligently continues to cure until such failure is fully cured.
- b. Remedies. Upon the occurrence of an Event of Default, the affected Party may at its option, in addition to any remedies available under any other provision herein, do any, or any combination, as appropriate, of the following:
- (1) Continue to perform and enforce this Agreement;
 - (2) Recover damages from the defaulting Party except as limited by this Agreement;

- (3) By written notice to the defaulting Party terminate this Agreement;
- (4) Pursue any other remedies it may have under this Agreement or under applicable law or in equity.

19. Entire Agreement. This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Tariff. Together the Agreement and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff, Terms and Conditions, and other KCC approved rate schedules.

20. Conflict of Provisions and Revisions. In the event of a conflict between this Agreement, the Interconnection Tariff, or the terms of any other tariff, Exhibit or Attachment incorporated by reference, the terms of the Interconnection Tariff, as the same may be amended from time to time, shall control. In the event that the Company files a revised tariff related to interconnection for Kansas Corporation Commission approval after the effective date of this Agreement, the Company shall, not later than ten (10) days after the date of such filing, notify the signatories of this Agreement and provide them a copy of said filing.

21. Governing Law. This Agreement shall be interpreted, governed, and construed under the laws of the State of Kansas without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

22. Non-waiver. None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

23. Counterparts. This Agreement may be signed in counterparts.

24. No Third Party Beneficiaries. This Agreement is made solely for the benefit of the Parties hereto. Nothing in the Agreement shall be construed to create any rights in or duty to, or standard of care with respect to, or any liability to, any person not a party to this Agreement.

25. Dispute Resolution. Unless otherwise agreed by the Parties, all disputes arising under this Agreement shall be resolved pursuant to Kansas Corporation Commission procedures.

26. Severability. If any clause, provision, or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section, shall not affect any of the remaining provisions herein.

IN WITNESS WHEREOF, the Parties hereto have caused two (2) originals of this Agreement to be executed by their duly authorized representatives.

Interconnecting Customer _____
Date

Midwest Energy, Inc. _____
Date

List of Attachments to Exhibit F

- Attachment 1: Definitions (From Section 1.2 of Tariff)
- Attachment 2: Description of Facilities, including demarcation of Point of Common Coupling
- Attachment 3: Description of System Modifications
- Attachment 4: Costs of System Modifications and Payment Terms
- Attachment 5: Special Operating Requirements