

INSIDE PASSAGE ELECTRIC COOPERATIVE, INC.

SCHEDULE NO. QF - 1 — QUALIFYING FACILITIES (Continued)

The rate at which the Cooperative will purchase energy from Qualifying facilities (QFs) with a design capacity of 100 kW or less is calculated based on the amount of diesel generation and the energy portion of purchased power expense from the equivalent quarter from the prior year, divided by the number of kWh sold attributable to diesel generation and purchased power. Costs and kWh attributable to hydroelectric generation facilities owned by the Cooperative are excluded from the calculation.

A.	Number of gallons consumed (historical quarter)		129,891
B.	Current fuel price		\$3.223159
C.	Cost of diesel at current fuel price	A*B	\$418,660.63
D.	Energy portion of purchase power expense (historical quarter)		\$49,174.73
E.	Total diesel and purchased power energy costs	C+D	\$467,8354.36
F.	kWh sold (historical quarter)		2,601,593
G.	Diesel generated (historical quarter)		1,931,491
H.	Power purchases (historical quarter)		168,720
I.	IPEC hydroelectric (historical quarter)		904,592
J.	Total generation (historical quarter)	G+H+I	3,004,803
K.	% of generation from diesel & purchased power	(G+H)/J	69.8951%
L.	kWh sold attributable to diesel generation and purchased power	F*K	1,818,387
M.	Avoided energy costs	E/L	\$0.2573
N.	Variable operations and maintenance costs		\$0.0000
O.	<u>Small Facility Power Purchase Rate</u>	M+N	<u>\$0.2573</u> ^R

This rate will change concurrently with Cost of Power Adjustment factors and general rate revisions.