

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

4. **Indicative Pricing.** Within thirty (30) days following the date a QF project was added to the QF pricing queue under Section I.B.3, the Company shall provide the QF Developer with indicative pricing, which may include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. For the initial indicative pricing request, the Company will include:
- indicative prices along with indicative terms and conditions,
 - a link to the Company's most recent quarterly avoided cost price filing with the Commission for an explanation of inputs and the Commission-approved method used to develop indicative prices,
 - a list of key model inputs that affected avoided cost pricing and descriptions of any significant changes to inputs since that most recent quarterly avoided cost filing, and
 - an explanation of how the developer can obtain additional information, including access to the model used to determine pricing.

For any pricing updates provided after the initial indicative prices, the Company shall provide items a) through d) and a description of any inputs or methods that have changed since the last quarterly filing or the last indicative prices provided. An indicative pricing proposal provided by the Company may be used by the QF Developer to make determinations regarding project planning, financing and feasibility. However, such prices are indicative only and may be subject to change by the Company as specified herein or by the Commission. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Commission may approve, reject or conditionally approve a power purchase agreement and may at any time make changes to this Schedule, QF pricing methods and inputs, or terms and conditions applicable to QF pricing and power purchase agreements.

5. **Request for Proposed Draft Power Purchase Agreement.** If a QF Developer desires to proceed forward with the project it must, within sixty (60) days of its receipt of indicative pricing, request that the Company prepare and submit for the Developer's review a proposed power purchase agreement. Absent timely submittal of such request, the project will be removed from the QF pricing queue and the indicative prices will no longer be valid. In connection with its request for a power purchase agreement, the Developer must provide the Company with the following additional project information:

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