



Schedule "Q" (Continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Adjustment of Schedule Q Rate:

The above rate for energy delivered to the Company by the Customer is based on an avoided fuel cost of 28.186 ¢/kWhr on-peak and 24.415¢/kWhr off-peak, an avoided O&M cost of 0.728 ¢/kWhr on-peak and 1.669 ¢/kWhr off-peak, and a Power Factor Adjustment of -0.120 ¢/kWhr on-peak and -0.280 ¢/kWhr off-peak. The sum of the on-peak costs are time weighted 14 hours of 24 hours for on-peak and 10 hours of 24 hours for off peak and summed to derive the Schedule Q energy rate. The Schedule Q energy rate will be revised monthly for changes in avoided fuel cost and annually for changes in all cost elements.

This adjustment provision is consistent with the terms of Decision and Order No. 24086 in Docket No. 7310, and may be revised to reflect further changes, subject to Commission approval.

MAUI ELECTRIC COMPANY, LIMITED