

EXHIBIT B

**SAN MARCOS ELECTRIC UTILITY
ELECTRIC RATE SCHEDULES**

**Large Distributed Generation Standby Service
Rate Schedule - LDGS**

Effective: _____

The City of San Marcos (the "City") shall charge and collect for Large Distributed Generation Standby Service on the basis of this Rate Schedule – LDGS. City of San Marcos Electric Utility Rules and Regulations are incorporated by reference as a part of this rate schedule.

AVAILABILITY

This rate schedule is available throughout the entire territory served by the San Marcos Electric Utility System (the "City System").

APPLICABILITY

This rate schedule is applicable to all electric service required by Customer for lighting, power and any other purpose, other than residential service as defined in Rate Schedule – RS, as defined hereinafter, where the Customer's maximum metered kW demand is 1,000 kW or greater, for which no specific rate schedule is available, and where the customer is capable of generating a significant portion or the totality of their load requirement.

CHARACTER OF SERVICE

Service under this rate schedule shall be alternating current, 60 Hertz, three phase and delivered at City primary voltage or at the standard secondary voltages 120/208 or 277/480.

MONTHLY RATE

Power Cost Charge

The customer's power cost charge will be a direct pass through of generation, transmission and other charges billed to San Marcos Electric Utility by the Lower Colorado River Authority, GenTex Power Corporation, and other wholesale power suppliers for generation services provided to the customer.

Distribution Standby Charge

The Distribution Standby Charge is the sum of the Customer Charge and the Demand Charge, what are calculated as follows:

Customer Charge
\$ 5.16 multiplied by the CONTRACT DEMAND per month

Demand Charge
\$ 5.11 per BILLING DEMAND

The amount computed at the MONTHLY RATE shall be subject to taxes, assessments or surcharges imposed by any governmental authority which assessed on the basis of revenues from electric service or volumes of electricity purchased or sold by the City.

MINIMUM MONTHLY CHARGE

The monthly minimum charge shall be the sum of the CUSTOMER CHARGE, the DEMAND CHARGE (as applicable) and all applicable rate adjustments.

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PAYMENT

The due dates, penalty dates, and disconnection dates for bills shall be linked to the Customers' billing cycles in accordance with the following table of dates for each cycle:

Cycle #	Billing Date	Due Date and Penalty Date	Disconnection Date
1	16 th	3 rd of the following month	14 th of the following month
2	24 th	11 th of the following month	21 st of the following month
3	1 st	18 th of the same month	28 th of the same month
4	8 th	25 th of the same month	4 th of the following month

Any and all amounts not paid before the penalty date shall be assessed a charge in the amount of 10% of the unpaid amount.

Payments from state agencies must be received within 30 days from receipt of bill, and any unpaid amount will be subject to a 1.0% per month interest charge following the procedures set forth in the Prompt Payment Act.

CONTRACT DEMAND

Service under this rate schedule requires the Customer execute a standard contract for a minimum term of 12 months for a specified Contract Demand (kW) to be used in the determination of the BILLING DEMAND, as described hereinafter.

DETERMINATION OF BILLING DEMAND

The BILLING DEMAND each month for shall be the greater of:

- a. The highest metered kW demand less the CONTRACT DEMAND, established during any 15 minute interval during the month; or
- b. The highest kW demand less the CONTRACT DEMAND established during any 15 minute interval during the immediately preceding 11 months.

POWER FACTOR ADJUSTMENT

The monthly highest metered kW demand may be adjusted to an equivalent 97.0% power factor for the purpose of establishing the monthly BILLING DEMAND when the power factor at the point of delivery to the Customer is determined to be less than 97.0%. Such adjustment will be deferred for 6 months at a new point of delivery to allow for corrective action by the Customer.