**Section 430.40 Terms and Conditions of Service**

Each electric utility shall file with the Illinois Commerce Commission such terms and conditions of service as are necessary to adequately insure quality of service, safety and minimum total cost. These terms and conditions shall apply to all qualifying facilities served under this Part and shall include, but are not limited to, the following:

a) Subject to the provisions of paragraphs (g) and (i) of this Section, the utility shall purchase energy and/or usable capacity (i.e., capacity which would allow the utility to avoid costs) from any qualifying facility that offers to sell energy and/or capacity to the utility and agrees to the conditions set forth in this Part.

b) The owner or operator of the qualifying facility shall be billed for energy and/or capacity sold by the utility to the qualifying facility under the applicable rate schedule and under any applicable conditions set forth in this Section.

c) The owner or operator of the qualifying facility shall execute a contractual agreement with the utility. The contractual arrangements between utilities and qualifying facilities shall be nondiscriminatory with relation to contracts entered into between a utility and a nonqualifying customer with similar load characteristics or other cost-related characteristics regardless of whether the customer generates some or all of his own electricity.

d) The qualifying facility shall comply with such requirements of the National Electric Safety Code, the National Electrical Code and the interconnecting utility's Electric General Terms and Conditions as specified by the interconnecting utility.

e) The qualifying facility shall furnish, install, operate and maintain in good order and repair and without cost to the utility such relays, locks and seals, breakers, automatic synchronizer and other control and protective apparatus as specified and approved by the utility as necessary for the operation of the qualifying facility in parallel with the utility's system and to permit the utility's facilities to operate in a normal manner. The utility shall have the right to specify, approve, establish minimum standards for, or require advance consultation on any or all of the above equipment.

f) Switching equipment capable of isolating the qualifying facility from the utility shall be accessible to and under the exclusive control of the utility at all times.

g) At its option, the utility may choose to operate the switching equipment described in (f) above if, in the sole opinion of the utility, continued operation of the qualifying facility in connection with the utility's system may create or contribute to a system emergency, unsafe condition or interference with the service of other customers. The utility shall endeavor to minimize any adverse effects of such operation on the qualifying facility and shall not utilize such switching equipment in a manner which would treat the qualifying facility as an interruptible customer unless such utilization was agreed upon as specified in the contract between the utility and the qualifying facility. Conditions resulting in utility action under this paragraph are subject to verification by the Illinois Commerce Commission if either party requests such verification. The utility shall maintain and make available sufficient documentation to aid the Commission with verification proceedings.

h) All costs of interconnection determined in accordance with the definitions in Section 430.30 – "Costs of interconnection" – shall be the responsibility of the owner or operator of the qualifying facility. To the extent practicable, the utility shall furnish to the qualifying facility, prior to installation, an estimate of the costs of interconnection. If the utility incurs any of the costs of interconnection that are the responsibility of the owner or operator of the qualifying facility, the utility shall be reimbursed for such costs (including all carrying costs) by the owner or operator of the qualifying facility over a period of time not greater than the length of the contract between the utility and the owner or operator of the qualifying facility.

i) The utility may discontinue purchases from the qualifying facility during any period in which, due to operational circumstances, purchases from qualifying facilities will result in costs greater than those which the utility would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself. A claim by an electric utility that such a period has occurred or will occur is subject to verification by the Commission.

j) The utility may discontinue sales to the qualifying facility during a system emergency or unsafe condition provided that such discontinuance is on a nondiscriminatory basis.

k)

1) The utility shall offer to provide maintenance, supplemental and standby power to the qualifying facility. The utility shall offer to provide interruptible power if a standard rate schedule for interruptible power has been approved by the Commission. Charges for interruptible power, maintenance power, standby power and supplemental power imposed on the qualifying facility for electricity or reserve capability furnished by the utility shall be at the utility's standard rates, unless the load or other cost characteristics related to the provision of such services justifies different charges. Any such different charges for the provision of such services must be approved by the Commission and shall be applicable to all jurisdictional customers without regard to whether or not they operate qualified facilities hereunder.

2) Nothing in this subsection (k) shall limit the authority of a utility and qualifying facility to agree to any rate or terms or conditions relating to the provision of interruptible, maintenance, standby, and supplemental power.