

July 25, 2022

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 22-__ - The Narragansett Electric Company
Tariff Advice Filing to Revise Existing Electric and Gas Tariffs and Related Documents
for:**

- **Optional Interval Data Service**
- **Renewable Energy Growth Program for Residential Customers**
- **Renewable Energy Growth Program for Non-Residential Customers**
- **Environmental Response Fund**
- **Infrastructure, Safety, and Reliability Provision**
- **Qualifying Facility Power Purchase Rate P**
- **Net Metering Provision**
- **Standards for Connecting Distributed Generation**
- **Optional Billing and Rata Data Service**
- **Greenup Service Supplier Service Agreement**
- **Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects**
- **Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects**
- **R.I.P.U.C. GAS No. 101**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), this filing letter and enclosures represent a tariff advice filing to request approval of revisions to the Company’s electric and gas tariffs in accordance with 810-RICR-00-00-1.10(C) of the Rhode Island Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure (“Rules”).

The primary purpose of this filing is to replace references to National Grid with The Narragansett Electric Company or the Company.¹ Enclosed please find a clean and redlined version of the following tariffs and related documents that are included in this filing:

¹ On May 25, 2022, PPL Rhode Island Holdings, LLC acquired 100 percent of the outstanding shares of common stock of The Narragansett Electric Company from National Grid USA.

Electric Tariffs

- Optional Interval Data Service (from R.I.P.U.C. No. 2020-A to R.I.P.U.C. No. 2251)
- Renewable Energy Growth Program for Residential Customers (from R.I.P.U.C. No. 2151-I to R.I.P.U.C. No. 2252-I)
- Renewable Energy Growth Program for Non-Residential Customers (from R.I.P.U.C. No. 2152-I to R.I.P.U.C. No. 2253-I)
- Environmental Response Fund (from R.I.P.U.C. No. 2173 to R.I.P.U.C. No. 2254)
- Infrastructure, Safety, and Reliability Provision (from R.I.P.U.C. No. 2199 to R.I.P.U.C. No. 2255)
- Qualifying Facility Power Purchase Rate P (from R.I.P.U.C. No. 2240 to R.I.P.U.C. No. 2256)
- Net Metering Provision (from R.I.P.U.C. No. 2241 to R.I.P.U.C. No. 2257)
- Standards for Connecting Distributed Generation (from R.I.P.U.C. No. 2244 to R.I.P.U.C. No. 2258)
- Optional Billing and Rata Data Service (from R.I.P.U.C. No. 1157 to R.I.P.U.C. No. 2259)

Other Documents Related to the Tariffs and Terms and Conditions

- Greenup Service Supplier Service Agreement (as referenced in the Terms and Conditions for Greenup Service, R.I.P.U.C. No. 2238)
- Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (relating to the Renewable Energy Growth Program tariffs)
- Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects (relating to the Renewable Energy Growth Program tariffs)

Gas Tariff

- R.I.P.U.C. GAS No. 101 (from R.I.P.U.C NG GAS No. 101 to R.I.P.U.C RIE GAS No. 101)

Pursuant to 810-RICR-00-00-1.10(C)(3) and subject to 810-RICR-00-00-1.10(C)(2) and 810-RICR-00-00-1.10(C)(2) of the Rules, absent an order issued by the Commission to approve or suspend, the above tariffs shall go into effect thirty (30) days after the date of this notice or upon the proposed effective date, whichever is later. Please note the Company has proposed an effective date of September 1, 2022.

In accordance with 810-RICR-00-00-1.10(C)(2), the Company will provide notice to the public, the Division of Public Utilities and Carriers, and the Attorney General at least thirty (30) days prior to the proposed effective date.

The technical changes to each document are described below:

Optional Interval Data Service (from R.I.P.U.C. No. 2020-A to R.I.P.U.C. No. 2251)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company.

Renewable Energy Growth Program for Residential Customers (from R.I.P.U.C. No. 2151-I to R.I.P.U.C. No. 2252-I)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and delete references to National Grid, update citations to the Rhode Island Code of Regulations and Rhode Island General Laws, and make grammatical and punctuation changes.

Renewable Energy Growth Program for Non-Residential Customers (from R.I.P.U.C. No. 2152-I to R.I.P.U.C. No. 2253-I)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and delete references to National Grid, update citations to the Rhode Island Code of Regulations and Rhode Island General Laws, and make grammatical and punctuation changes.

Environmental Response Fund (from R.I.P.U.C. No. 2173 to R.I.P.U.C. No. 2254)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company, update citations to the Rhode Island General Laws, and add a reference that the eligible sites of Main Street, Warren and Mendon Road, Attleboro, MA are closed.

Infrastructure, Safety, and Reliability Provision (from R.I.P.U.C. No. 2199 to R.I.P.U.C. No. 2255)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company.

Qualifying Facility Power Purchase Rate P (from R.I.P.U.C. No. 2240 to R.I.P.U.C. No. 2256)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company, delete references to National Grid, and update citations to the Rhode Island General Laws and Rhode Island Public Utilities Commission.

Net Metering Provision (from R.I.P.U.C. No. 2241 to R.I.P.U.C. No. 2257)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and delete d/b/a National Grid, update citations to the Rhode Island General Laws, and change reference from National Grid Account Number to Electric Delivery Company Account Number.

Standards for Connecting Distributed Generation (from R.I.P.U.C. No. 2244 to R.I.P.U.C. No. 2258)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to New England Power Company, update references to The Narragansett Electric Company and remove d/b/a National Grid, update mailing address and emails, update citations to the Rhode Island General Laws, and make grammatical and punctuation changes.

Optional Billing and Rata Data Service (from R.I.P.U.C. No. 1157 to R.I.P.U.C. No. 2259)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and update a Company website address.

Greenup Service Supplier Service Agreement

The proposed changes to this document are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company, update the state's name to the State of Rhode Island, update website links, update references to the Rhode Island Public Utilities Commission, update the holiday schedule, and make grammatical and punctuation changes.

Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects

The proposed changes to this document are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and delete reference to National Grid and make grammatical and punctuation changes.

Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects

The proposed changes to this document are all technical in nature. Specifically, the changes update references to The Narragansett Electric Company and delete reference to National Grid and make grammatical and punctuation changes.

R.I.P.U.C. GAS No. 101 (from R.I.P.U.C NG GAS No. 101 to R.I.P.U.C RIE GAS No. 101)

The proposed changes to this tariff are all technical in nature. Specifically, the changes update references to National Grid with Rhode Island Energy, update references to National Grid USA to PPL Corporation, and update Company zip code.

Please note that the Renewable Energy Growth Program Cost Recovery Provision, R.I.P.U.C. 2219, which also requires updating references from National Grid to the Company, is not included in this filing. The reason for its omission from this filing is that at least one substantive change will be proposed by the Company in addition to the technical changes. Given

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that there is a substantive component to that tariff change, the Company anticipates making a tariff advice filing through Docket No. 22-04-REG.

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Christy Hetherington, Esq., Division of Public Utilities and Carriers
Nicholas M. Vaz, Esq., Rhode Island Office of Attorney General

THE NARRAGANSETT ELECTRIC COMPANY OPTIONAL INTERVAL DATA SERVICE

Availability of Service

Service is available under this tariff for nonresidential customers receiving service under The Narragansett Electric Company's ("Narragansett") or ~~the~~ "Company" Optional Enhanced Metering Service, and customers receiving metered retail delivery service from Narragansett who have a Company-owned interval data recorder ("IDR") installed at their facilities.

Fees:

Under this provision, the fees for this service will vary depending upon the number of accounts and frequency of requests for interval data. Access is available to the customer or its authorized agent.

One-Time Request of Interval Data:

Initial request covering a single calendar year	No Charge
Subsequent request within same calendar year	
Single retail delivery service account	\$83.00
Additional retail delivery service account requested same time	\$6.41 per account

Fees will be prorated for customer requests which include interval data which has been provided previously in response to an earlier request for data service.

Subscription service for Interval Data over the Internet:

The Company may offer subscriptions to eligible customers for access to interval data through an Internet account which is available for the customer's use. Fees for this service are provided below. The minimum contract length is one year. The availability of this service will be subject to the Company's ability to render such service.

Single retail delivery service account	\$154.00
Additional retail delivery service account Requested at the same time	\$76.89 per account

Effective: ~~September~~ March 1, 2022

**THE NARRAGANSETT ELECTRIC COMPANY
 OPTIONAL INTERVAL DATA SERVICE**

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THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Customer’s service location, or a Project with a nameplate capacity up to 250 kW that is operating as a Shared Solar Facility. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the aggregate On-Site Use of the Residential Customer and the Bill Credit Recipient(s), if applicable, as measured over the previous three (3) years at the eligible electric service account(s) located on the same parcel of land as the Residential Customer’s service location; 2) the aggregate annualized On-Site Use over the period of service to the Residential Customer and Bill Credit Recipient(s) if such service has been provided for less than three years; or 3) a reasonable estimate of the aggregate annual On-Site Use of the Customer and the Bill Credit Recipient(s) if the Project is located at a new service location. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the Bill Credit Recipient, the recipient of Performance-Based Incentive Payments, the total cost of the project, indication of whether the system is a “self-install” by the Customer/Project Owner, proof of completed mandatory training from the Rhode Island Office of Energy Resources if the system is a “self-install”, and both the General Contractor registration number and the Electrician license number of the entities constructing the project. Upon application, the appropriate Consumer Disclosure or Self-Installer Disclosure form must also be accurately completed and submitted, for the application to be deemed complete. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

2. **Definitions**

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.
- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: - a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to on-site use subject to the eligibility requirements and provisions of Section 6.
- d. Bill Credit Recipient: a customer receiving retail delivery service pursuant to Rate A-16 or Rate A-60, and who is eligible to receive Bill Credits from a Shared Solar Facility or Standard DG Project pursuant to the eligibility rules in Section 6. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any payment plans or other agreements with the Company, including but not limited to an interconnection service agreement. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- e. Board: the Distributed Generation Board established pursuant to ~~Rhode Island~~ General Laws Section§ 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. Certificate of Eligibility: written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- g. Commission: the Rhode Island Public Utilities Commission.
- h. Company: The Narragansett Electric Company ~~d/b/a National Grid~~.
- i. Customer: an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60 and who is the customer of record at the location on which a Project is installed.

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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- j. Customer Payment/Credit Transfer Form: a form submitted by the Applicant prior to the commercial operation date of the DG Project, which is updated periodically as necessary, and contains all required information to process monthly Performance-Based Incentive Payments and Bill Credits.
- k. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- l. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- m. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility pursuant to the Solicitation and Enrollment Process Rules.
- n. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- o. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential service location.
- p. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- q. Shared Solar Facility: a single Small-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in Section 6. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.
- r. SolarWise Program: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to ~~R~~hode Island General Laws ~~Section~~§ 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to ~~R~~hode Island General Laws ~~Section~~§ 39-1-27.7.
- s. Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program

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applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

- t. Standard DG Project: a Project that is not classified as a Shared Solar Facility.

3. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented, and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The Projects use different renewable energy resources; or
- ii. The Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one Project and the commencement of construction of any additional Project.
- iii. Projects on contiguous parcels or a single parcel will not be considered as segmented if they serve different Residential Customers.

If the Company determines that a Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

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4. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter, or in another location as approved by the Company pursuant ~~to~~with the Company's specifications and policies on metering.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).
- c. Energy storage systems ("~~ESS~~"), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter.

5. Renewable Energy Certificates and Other Environmental Attributes

For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred.

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant must cooperate with the Company to obtain Commission certification of a Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard, 810-RICR-40-05-2. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the Project with the NEPOOL-GIS. The Applicant shall provide all necessary information and cooperate with the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the REC

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Assignment and Aggregation Form to facilitate the Project's participation in asset aggregation or other model of asset registration and reporting.

Environmental attributes shall include any and all generation attributes or energy services as established by regional, state, federal, or international law, rule, regulation or ~~competitive market or business method~~ that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

6. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard and NEPOOL-GIS asset registration; as demonstrated by the Applicant's completion of the Renewable Energy Certificate Assignment and Aggregation Form; (3) a copy of the Project's approved State of Rhode Island Solar Permit or building permit, including the responsible Rhode Island General Contractor's Number and (4) the Bill Credit Recipient(s) associated electric service account is not in arrears and is current on any approved payment plan. Applicants who have applied for and received approval for a SolarWise Bonus Payment by October 1, 2017, must complete the requisite energy efficiency measures prior to receiving payment under this Tariff. If payments to an Applicant are suspended or withheld for any reason, up to 90 days of Performance Based Incentive payments and bill credits will be available to be paid once the suspension is cured; the value of all generation that occurred prior to 90 days of the cure will be forfeited.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

If applicable, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 6.d.

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c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Bill Credit Recipients in accordance with the rules below.

Applicants will be responsible for designating Bill Credit Recipient billing account(s) and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account. The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipients

- i. Standard DG Projects may designate only the Customer as the sole Bill Credit Recipient.
- ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
- iii. The Bill Credit Recipients of Standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the Project. Properties that are separated by a public way will not be considered to be adjacent.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's Maximum Annual Limit defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the Maximum Annual Limit will be estimated initially. The Maximum Annual Limit may be requested to be reset once a total of three (3) years of billing history are available.
- iii. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

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3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges, and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which applies to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear as a separate line item on the Bill Credit Recipient's bill.

$$BC = \text{ALLOC} \times (DC + TC + \text{TrC} + \text{LRS})$$

Where:

$$BC = \text{Bill Credit}$$

$$\text{ALLOC} = \text{Bill Credit Recipient's allocated generated kWh as determined per Section 6.c.2).i.}$$

$$DC = \text{the distribution charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$TC = \text{the Transmission Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$\text{TrC} = \text{the Transition Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$\text{LRS} = \text{the Residential Last Resort Service charge per R.I.P.U.C. No. 2096, Summary of Last Resort Service Rates, as may be amended from time to time. For any facilities enrolled after April 1, 2020, the Last Resort Service kilowatt-hour charge shall be net of the Renewable Energy Standard charge or credit}$$

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form of a check (or by other agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipient(s) will be responsible for paying any balance due on their individual electric bills in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, each Bill Credit ~~Recipient shall~~ Recipient shall receive the full amount of the Bill Credit,

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which will not exceed the total of the per kWh delivery service charges and applicable Last Resort Service charge, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Bill Credit Recipient(s)- or the recipient identified on the Application.

d. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Tier by October 15, 2017, are eligible to receive SolarWise Bonus Payments. The PBI payments pursuant to Section 6.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the Customer at that location minus the estimated annual electric energy (kWh) savings from the realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer's solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible "Excluded Technologies." For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

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7. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service
- b. The Applicant is required to comply with the Company's Standards for Connecting Distributed Generation. Any application by applicants for Projects seeking to qualify for the Small-Scale Solar class for interconnection under the Standards for Connecting Distributed Generation that is not complete and accurate will be rejected by the Company, as allowed by the Standards for Connecting Distributed Generation, and the applicant will need to resubmit its application for interconnection and Certificate of Eligibility under this program as a new application.
- c. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.
- e. By participating in the Renewable Energy Growth Program and accepting a Certificate of Eligibility, all enrolled facilities shall be made available for inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection with full access to the facility within 90 days from the date of the Office of Energy Resources' request for inspection will result in suspension of PBI payments until cured and may result in termination of the Certificate of Eligibility after 180 days from the date of the Office of Energy Resources' request for inspection.

8. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

9. Termination

The Applicant and the Customer shall comply with the provisions of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

If the Customer is installing an additional facility under this tariff or the Net Metering Provision, the Company may allow the initial DG Project enrolled under this tariff to be transferred to enrollment under the Non-Residential Tariff for any term remaining under the initial tariff on a new non-residential customer account, or enroll the new facility under the Non-Residential Tariff. The limitations on DG Project sizing under Section 1 will apply to the combined systems, and all other considerations of this tariff or the Non-Residential Tariff would still apply respectively.

10. Statutory Authority

This Tariff is filed in compliance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island General Laws~~ Section § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years

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Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years

Issued: ~~November 16, 2015~~ July 25, 2022

Effective: ~~April 1, 2016~~ September 1, 2022

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Renewable Energy Growth Program for Residential Customers
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Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years

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Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Program Year: April 1, 2018 through March 31, 2019

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~§ 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	28.55¢	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.55¢	20 years
Small-Scale Solar II	11 to 25 kW	29.45¢	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	29.45¢	20 years

*Note: ~~Shared Solar Facilities~~ will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: ~~All~~ ceiling prices are assumed to include all eligible federal incentives.

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Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2019 through March 31, 2020

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	28.45¢	15 years
Small-Scale Solar I	1 to 10 kW	24.95¢	20 years
Small-Scale Solar II	11 to 25 kW	27.65¢	20 years

*Note: ~~Shared Solar Facilities~~ will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: ~~All~~ ceiling prices are assumed to include all eligible federal incentives.

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Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	29.65¢	15 years
Small-Scale Solar II	11 to 25 kW	23.45¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to include all eligible federal incentives.

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Program Year: April 1, 2021 through March 31, 2022

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 15 kW DC	28.75¢	15 years
Small-Scale Solar II	16 to 25 kW DC	24.35¢	20 years

*Note: ~~Shared Solar Facilities~~ will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: ~~All ceiling prices~~ are assumed to include all eligible federal incentives.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Customer’s service location, or a Project with a nameplate capacity up to 250 kW that is operating as a Shared Solar Facility. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the aggregate On-Site Use of the Residential Customer and the Bill Credit Recipient(s), if applicable, as measured over the previous three (3) years at the eligible electric service account(s) located on the same parcel of land as the Residential Customer’s service location; 2) the aggregate annualized On-Site Use over the period of service to the Residential Customer and Bill Credit Recipient(s) if such service has been provided for less than three years; or 3) a reasonable estimate of the aggregate annual On-Site Use of the Customer and the Bill Credit Recipient(s) if the Project is located at a new service location. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the Bill Credit Recipient, the recipient of Performance-Based Incentive Payments, the total cost of the project, indication of whether the system is a “self-install” by the Customer/Project Owner, proof of completed mandatory training from the Rhode Island Office of Energy Resources if the system is a “self-install”, and both the General Contractor registration number and the Electrician license number of the entities constructing the project. Upon application, the appropriate Consumer Disclosure or Self-Installer Disclosure form must also be accurately completed and submitted, for the application to be deemed complete. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

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2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. **Applicant:** the person or entity with legal authority to enroll the Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.
- b. **Application:** the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. **Bill Credit:** a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to on-site use subject to the eligibility requirements and provisions of Section 6.
- d. **Bill Credit Recipient:** a customer receiving retail delivery service pursuant to Rate A-16 or Rate A-60, and who is eligible to receive Bill Credits from a Shared Solar Facility or Standard DG Project pursuant to the eligibility rules in Section 6. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any payment plans or other agreements with the Company, including but not limited to an interconnection service agreement. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- e. **Board:** the Distributed Generation Board established pursuant to Rhode Island General Laws Section 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. **Certificate of Eligibility:** written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- g. **Commission:** the Rhode Island Public Utilities Commission.
- h. **Company:** The Narragansett Electric Company.
- i. **Customer:** an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60 and who is the customer of record at the location on which a Project is installed.

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- j. Customer Payment/Credit Transfer Form: a form submitted by the Applicant prior to the commercial operation date of the DG Project, which is updated periodically as necessary, and contains all required information to process monthly Performance-Based Incentive Payments and Bill Credits.
- k. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- l. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- m. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility pursuant to the Solicitation and Enrollment Process Rules.
- n. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- o. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential service location.
- p. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- q. Shared Solar Facility: a single Small-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in Section 6. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.
- r. SolarWise Program: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to Rhode Island General Laws Section 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to Rhode Island General Laws Section 39-1-27.7.
- s. Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program

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applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

- t. Standard DG Project: a Project that is not classified as a Shared Solar Facility.

3. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented, and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The Projects use different renewable energy resources; or
- ii. The Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one Project and the commencement of construction of any additional Project.
- iii. Projects on contiguous parcels or a single parcel will not be considered as segmented if they serve different Residential Customers.

If the Company determines that a Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

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4. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter, or in another location as approved by the Company pursuant to the Company's specifications and policies on metering.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).
- c. Energy storage systems ("ESS"), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter.

5. Renewable Energy Certificates and Other Environmental Attributes

For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred.

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant must cooperate with the Company to obtain Commission certification of a Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard, 810-RICR-40-05-2. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the Project with the NEPOOL-GIS. The Applicant shall provide all necessary information and cooperate with the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the REC

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Assignment and Aggregation Form to facilitate the Project's participation in asset aggregation or other model of asset registration and reporting.

Environmental attributes shall include any and all generation attributes or energy services as established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

6. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard and NEPOOL-GIS asset registration; as demonstrated by the Applicant's completion of the Renewable Energy Certificate Assignment and Aggregation Form; (3) a copy of the Project's approved State of Rhode Island Solar Permit or building permit, including the responsible Rhode Island General Contractor's Number and (4) the Bill Credit Recipient(s) associated electric service account is not in arrears and is current on any approved payment plan. Applicants who have applied for and received approval for a SolarWise Bonus Payment by October 1, 2017, must complete the requisite energy efficiency measures prior to receiving payment under this Tariff. If payments to an Applicant are suspended or withheld for any reason, up to 90 days of Performance Based Incentive payments and bill credits will be available to be paid once the suspension is cured; the value of all generation that occurred prior to 90 days of the cure will be forfeited.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement and indicated on the Certificate of Eligibility provided to the Applicant.

If applicable, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 6.d.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Bill Credit Recipients in accordance with the rules below.

Applicants will be responsible for designating Bill Credit Recipient billing account(s) and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account. The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipients

- i. Standard DG Projects may designate only the Customer as the sole Bill Credit Recipient.
- ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
- iii. The Bill Credit Recipients of Standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the Project. Properties that are separated by a public way will not be considered to be adjacent.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's Maximum Annual Limit defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the Maximum Annual Limit will be estimated initially. The Maximum Annual Limit may be requested to be reset once a total of three (3) years of billing history are available.
- iii. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges, and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which applies to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear as a separate line item on the Bill Credit Recipient's bill.

$$BC = \text{ALLOC} \times (DC + TC + TrC + LRS)$$

Where:

$$BC = \text{Bill Credit}$$

$$\text{ALLOC} = \text{Bill Credit Recipient's allocated generated kWh as determined per Section 6.c.2).i.}$$

$$DC = \text{the distribution charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$TC = \text{the Transmission Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$TrC = \text{the Transition Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$LRS = \text{the Residential Last Resort Service charge per R.I.P.U.C. No. 2096, Summary of Last Resort Service Rates, as may be amended from time to time. For any facilities enrolled after April 1, 2020, the Last Resort Service kilowatt-hour charge shall be net of the Renewable Energy Standard charge or credit}$$

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form of a check (or by other agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipient(s) will be responsible for paying any balance due on their individual electric bills in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, each Bill Credit Recipient shall receive the full amount of the Bill Credit, which will not

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exceed the total of the per kWh delivery service charges and applicable Last Resort Service charge, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Bill Credit Recipient(s) or the recipient identified on the Application.

d. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Tier by October 15, 2017, are eligible to receive SolarWise Bonus Payments. The PBI payments pursuant to Section 6.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the Customer at that location minus the estimated annual electric energy (kWh) savings from the realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer's solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible "Excluded Technologies." For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

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7. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service
- b. The Applicant is required to comply with the Company's Standards for Connecting Distributed Generation. Any application by applicants for Projects seeking to qualify for the Small-Scale Solar class for interconnection under the Standards for Connecting Distributed Generation that is not complete and accurate will be rejected by the Company, as allowed by the Standards for Connecting Distributed Generation, and the applicant will need to resubmit its application for interconnection and Certificate of Eligibility under this program as a new application.
- c. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.
- e. By participating in the Renewable Energy Growth Program and accepting a Certificate of Eligibility, all enrolled facilities shall be made available for inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection with full access to the facility within 90 days from the date of the Office of Energy Resources' request for inspection will result in suspension of PBI payments until cured and may result in termination of the Certificate of Eligibility after 180 days from the date of the Office of Energy Resources' request for inspection.

8. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

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9. Termination

The Applicant and the Customer shall comply with the provisions of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

If the Customer is installing an additional facility under this tariff or the Net Metering Provision, the Company may allow the initial DG Project enrolled under this tariff to be transferred to enrollment under the Non-Residential Tariff for any term remaining under the initial tariff on a new non-residential customer account, or enroll the new facility under the Non-Residential Tariff. The limitations on DG Project sizing under Section 1 will apply to the combined systems, and all other considerations of this tariff or the Non-Residential Tariff would still apply respectively.

10. Statutory Authority

This Tariff is filed in compliance with Rhode Island General Laws Section 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years

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Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years

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Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1)	Term of Service
Small-Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2018 through March 31, 2019

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	28.55¢	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.55¢	20 years
Small-Scale Solar II	11 to 25 kW	29.45¢	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	29.45¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to include all eligible federal incentives.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2019 through March 31, 2020

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	28.45¢	15 years
Small-Scale Solar I	1 to 10 kW	24.95¢	20 years
Small-Scale Solar II	11 to 25 kW	27.65¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to include all eligible federal incentives.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	29.65¢	15 years
Small-Scale Solar II	11 to 25 kW	23.45¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to include all eligible federal incentives.

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2021 through March 31, 2022

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 15 kW DC	28.75¢	15 years
Small-Scale Solar II	16 to 25 kW DC	24.35¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to include all eligible federal incentives.

THE NARRAGANSETT ELECTRIC COMPANY RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for an eligible distributed generation project (“DG Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer’s service location or another location that allows for interconnection to the Company’s electric distribution system. For this purpose, a Non-Residential Customer (“Customer”) is defined as a customer receiving retail delivery service on any rate schedule other than the Company’s residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the Bill Credit Recipient(s), the recipient of Performance-Based Incentive Payments, the total cost of the project, indication of whether the system is a “self-install” by the Customer/Project Owner, proof of completed mandatory training from the Rhode Island Office of Energy Resources if the system is a “self-install”, and both the General Contractor registration number and the Electrician license number of the entities constructing the project. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company’s Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the DG Project in the RE Growth ~~P~~rogram, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.

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RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: means a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to On-Site Use subject to the eligibility requirements and provisions of Section 8.
- d. Bill Credit Recipient: a Customer, as defined below, who is eligible to receive Bill Credits from a Community Remote Distributed Generation System, a Shared Solar Facility, or Standard DG Project pursuant to the eligibility rules in Section 8., or a person or entity that is a customer of record and receiving Residential retail delivery service pursuant to one of the Company's residential retail delivery service rate schedules, who is eligible to receive credits from a Community Remote Distributed Generation System or a Shared Solar Facility. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any applicable electric service, payment plans or agreements, including but not limited to meeting all obligations under an interconnection service agreement. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- e. Board: the Distributed Generation Board established pursuant to ~~Rhode Island~~ General Laws ~~Section~~§ 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- g. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- h. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- i. Commission: the Rhode Island Public Utilities Commission.
- j. Community Remote Distributed Generation System: a distributed generation facility with a nameplate capacity greater than two hundred fifty kilowatts (250 kW) and which allocates Bill Credits for each kilowatt-hour (kWh) generated to a minimum of three (3) eligible recipient customer accounts pursuant to the rules specified in Section 8. The Community Remote Distributed Generation System may be owned by the same entity that is the Applicant, the Customer, or another party.

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RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- k. Company: The Narragansett Electric Company ~~d/b/a National Grid~~.
- l. Customer: a person or entity that is receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules for a single location having an electric service billing account, and the person or entity is listed as the customer-of-record on the billing account associated with the service location. If the person or entity has more than one account as the Customer-of-record, each account service location will be considered as a separate Customer. The Customer may be the Applicant, a Bill Credit Recipient or a third party.
- m. Customer Payment/Credit Transfer Form: means a form submitted by the Applicant prior to the commercial operation date of the DG Project, and updated periodically as necessary, containing all required information necessary to process monthly Performance-Based Incentive Payments and Bill Credits.
- n. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in ~~Rhode Island~~ General Laws ~~Section~~ § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.
- o. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- p. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year but is no greater than five megawatts (5 MW) nameplate capacity.
- q. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).
- r. Low-Income Discount: the discount provided to a customer receiving delivery service on the Low-Income Rate A-60 pursuant to the terms of the Low-Income Rate A-60 tariff.
- s. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- t. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.
- u. Office: the Rhode Island Office of Energy Resources.

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- v. On-Site Use: the amount of energy used at a Customer or Bill Credit Recipient service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- w. Output Certification: certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- x. Performance-Based Incentive: either a standard or competitively bid price per kilowatt-hour (“kWh”) that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- y. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- z. Renewable Energy Classes: categories for different renewable energy technologies using eligible renewable energy resources as defined in ~~Rhode Island General Laws Section~~ § 39-26--5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels specified in ~~Rhode Island General Laws Section~~ § 39-26--2(6).
- aa. Renewable Energy Certificate (“REC”): an electronic record produced by the New England Power Pool Generation Information System (“NEPOOL-GIS”) that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- bb. Shared Solar Facility: a single Small-Scale or Medium-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in Section 8. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.
- cc. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- dd. Small DG Project: either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).
- ee. Solar Carport: The portion of the direct current (DC) nameplate capacity of a Solar DG Project that is installed above a permeable and/or non-permeable existing or new parking area and associated

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access and walkway areas (as recognized by the local municipal building and/or zoning department), which is installed in a manner that maintains the function of the area beneath the structure, and is continued to be used or available for use for such purposes for the term of enrollment in this tariff.

- ff. SolarWise Program: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to ~~Rhode Island~~ General Laws ~~Section~~§ 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to ~~Rhode Island~~ General Laws ~~Section~~§ 39-1-27.7.
- gg. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.
- hh. Standard DG Project: a project that is not classified as either a Shared Solar Facility or a Community Remote Distributed Generation System.
- ii. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

3. **Performance Guarantee Deposit**

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit ("Deposit") as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project's first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project's operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic digestion; or (3) 24 months for all other DG Projects. If the Output Certification is not received

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within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.

- e. Once a DG Project has provided the Output Certification to ~~the Company~~National Grid, the project then has 90 days to meet all other requirements specified in Section 8(a) to receive payment pursuant to the Tariff.
- f. An Applicant may elect, for any reason, to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect, for any reason, to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total. Prior to the expiration of the timeframe applicable to the Applicant's DG Project, as specified herein Section 3(d) or as extended as provided for by Section 3(f), the Applicant must notify the Company of its election to extend the DG Project deadline.
- g. If the Applicant is unable to provide the Output Certification within the timeframe specified in Section 3(d), or as extended pursuant to Section 3(f), because of non-completion of the necessary system modifications on the Company's side of the meter or any other interconnection delays that are beyond the reasonable control of the Applicant, the deadline for providing the Output Certification will be extended until such time as the DG Project has received approval from the Company to interconnect to the Company's distribution system and begin production, with no additional deposit required.
- h. If an act of God occurs within the timeframe allowed for providing the Output Certification, and as a direct result of the act of God, the DG Project is incapable of providing the Output Certification within the timeframe prescribed in this Tariff, the DG Project shall be terminated, and the Deposit shall be refunded immediately.
- i. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff.

4. **Interconnection**

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation and coordinated or delegated by the Applicant.

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- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The DG Projects use different renewable energy resources; or
- ii. The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.
- iv. If two or more projects are proposed on same or contiguous parcels and their combined nameplate capacity does not total to an amount that exceeds the class nameplate range of the enrollment class of the individual projects

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the same DG Project during the term specified in the applicable Tariff supplement.

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6. Metering

- a. A Company-owned meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. An interval meter will be installed on all projects greater than 25 kW in AC capacity. In the event that there is an existing service location with an existing meter, the meter for the DG Project shall be wired in parallel with, and be adjacent to, the existing service meter, or in another location as approved by the Company pursuant with the Company's specifications and policies on metering. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.
- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenue-quality interval meter and associated metering equipment, including required remote communication for measuring and reporting the output of the DG Project as well as any existing service meter. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carriers ("Division") Rules for Prescribing Standards for Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.
- c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.
- d. Energy storage systems ("ESS"), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter.

7. Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes

- a. Prior to receiving compensation pursuant to Section 8 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard, 810-RICR-40-05-2. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

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- b. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project, provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project at any time after it is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the DG Project during the term of service specified on the applicable Tariff supplement.
- (1) RECs: RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the DG Project with the NEPOOL-GIS. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.
- Small-Scale Solar Projects shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.
- (2) Energy: Except for Small-Scale Solar Projects, energy must be delivered to the Company in the Company's ISO-NE load zone at the delivery node associated with the DG Project. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.
- (3) Capacity: The Company may qualify the DG Project as an Existing Capacity Resource in the Forward Capacity Market ("FCM") after the Commercial Operation Date to participate in the FCM, as determined by the Company, in consultation with the Division. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary capacity asset. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

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8. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; 4) a copy of the Project's approved State of Rhode Island Solar Permit or building permit, including the responsible Rhode Island General Contractor's Number; and 5) except for small-scale and medium-scale solar, the Output Certification. Small-Scale Solar Projects can demonstrate completion of items 2 and 3 by the completion of the Renewable Energy Certificate Assignment and Aggregation Form. If an Applicant or Customer is no longer in good standing with regard to payment plans or agreements, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff. In addition, all Bill Credit Recipient(s) must remain in good standing with regard to the electric service account(s) receiving Bill Credits pursuant to this tariff, or the Company may withhold Bill Credits until such an account is again in good standing. If payments to an Applicant are suspended or withheld for any reason, up to 90 days of Performance Based Incentive payments and bill credits (if applicable) will be available to be paid once the suspension is cured; the value of all generation that occurred prior to 90 days of the cure will be forfeited.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Projects shall be determined through competitive bidding.

If applicable, for any Customer who has applied for and received approval for a SolarWise Bonus Tier and has met all of the requirements to receive a SolarWise Bonus by October 15, 2017, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Projects that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

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Solar Carport Incentive: A Customer whose DG Project includes nameplate capacity that meets the definition as a Solar Carport, and whose estimated interconnection cost on a \$/kW-DC basis as shown in a valid Distributed Generation Impact Study from ~~National Grid~~~~the Company~~~~Rhode Island Energy~~ is below the average cost for other projects in its technology and size class, as quoted in the Average Interconnection Cost Guideline,¹ will be eligible for the Solar Carport Incentive specified in the applicable Tariff supplement and will be included in the Performance Based Incentive amount for the specific DG Project. The Solar Carport Incentive amount will be calculated as follows:

$$SCI_{SCP} = SCCN_{SCP} \div PCN_{SCP} \times SCIR_{YEAR}$$

$$PBI_{SCP} = PBIB_{SCP} + SCI_{SCP}$$

Where:

$$SCI_{SCP} = \text{Solar Carport PBI Adder}$$

$$SCCN_{SCP} = \text{Solar Carport Capacity Nameplate (kW DC)}$$

$$PCN_{SCP} = \text{Project Capacity Nameplate (kW DC)}$$

$$SCIR_{YEAR} = \text{Program Year Solar Carport Incentive Rate}$$

$$SCP = \text{Solar Carport Project}$$

$$PBI_{SCP} = \text{Solar Carport Project PBI}$$

$$PBIB_{SCP} = \text{Solar Carport Competitive Bid PBI}$$

The SCI will be added to the competitively bid PBI of the specific project upon acceptance, and the total amount will be paid on all generation of the total DG Project and will be provided on the Customer's Certificate of Eligibility. Any change in the DC nameplate rating of a Solar Carport portion of a project as built must be provided to the Company prior to Authority to Interconnect, and adjustments to the SCA will be reflected in the final Certificate of Eligibility provided to the Customer. Additionally, the project owner shall provide final cost data, with documentation to verify costs (invoices, contracts, etc.) for the carport's canopy structure and mounting system at the time of approval of final Certificate of Eligibility as a condition for receiving payment of the PBI and Carport Adder. No changes to the Solar Carport portion of the project are permitted after the project is operational.

¹ The Average Interconnection Cost Guideline will be posted in the RE Growth section of the Company's interconnection web page, and provided as an attachment to the Open Enrollment application package for solar projects greater than 25 kW DC.

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c. Performance Based Incentive Payment for Standard DG Projects and Shared Solar.

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have been awarded a Certificate of Eligibility for a DG Project will receive Performance-Based Incentive Payments in accordance with the rules specified in this section. Except for Shared Solar Facilities, Applicants may choose to receive Performance-Based Incentive Payments in the form of either cash or a combination of cash and Bill Credits. Shared Solar Facilities will receive Performance-Based Incentive Payments as a combination of cash payments and Bill Credits. Applicants will be responsible for designating Bill Credit Recipient billing account(s), and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For DG Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipients

- i. Standard DG Projects are not required to designate a Bill Credit Recipient. ~~However, if~~ Standard DG Projects choose to designate a Bill Credit Recipient, ~~however,~~ they may designate only the Customer as the sole Bill Credit Recipient.
- ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
- iii. Shared Solar Bill Credit Recipients must be in the same customer class (i.e., Residential or Non-Residential) but may be in different retail delivery service rate classes.
- iv. The Bill Credit Recipients of Standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the DG Project. Properties that are separated by a public way will not be considered to be adjacent. Applicants who operate a Shared Solar Facility on behalf of a Public Entity may designate Bill Credit Recipients without regard to physical location so long as the Shared Solar Facility's and Bill Credit Recipient's points of service, which must all belong to the same municipality or public entity, are located within the same municipality.
- v. The Applicant may make changes to the Bill Credit Recipients of a Shared Solar facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.

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- vi. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's maximum annual limit, which is defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. A Bill Credit Recipient may request that the Company reset its three (3) year annual average use once three (3) years of billing history is available.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. Applicants with Shared Solar Facilities must select Option 2. Standard DG Projects may select Option 2 only if the DG Project can be configured to serve on-site load. If the Applicant selects Option 2, the DG Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use or the aggregate On-site Use of all Bill Credit Recipients if the DG Project is a Shared Solar Facility, as measured over the previous three (3) years at the electric service account located at the Customer or Bill Credit Recipient's service location(s); 2) the annualized On-Site Use over the period of service to the Customer or Bill Credit Recipient's service location(s) if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the DG Project is located at a new service location. The Applicant may change the selection only one time after the DG Project begins to operate provided that the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

- 1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or
- 2. Option 2: A combination of direct payment and Bill Credit Recipient Bill Credits.

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If the Applicant selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

$$BC = \text{ALLOC (kWh)} \times (DC + TC + \text{TrC} + \text{LRS})$$

Where:

BC = Bill Credit

ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.c.(2)(i).

DC = the distribution charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

TC = the Transmission Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

TrC = the Transition Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

LRS = the Last Resort Service charge applicable to the Bill Credit Recipient's retail delivery service rate class per R.I.P.U.C. No. 2096, Summary of Last Resort Service Rates, as may be amended from time to time, exclusive of the renewable energy standard charge or credit.

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipients will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, the Bill Credit Recipients shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Last Resort Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to

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the calculation of the Performance-Based Incentive Payment charged or credited to the Bill Credit Recipients or the recipient identified on the Application.

d. Performance-Based Incentive Payment for Community Remote Distributed Generation Systems

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have received a Certificate of Eligibility for a Community Remote Distributed Generation System will receive Performance-Based Incentive Payments in the form of Bill Credits applicable to a minimum of three (3) eligible Bill Credit Recipients and residual cash payments. Applicants will be responsible for designating Bill Credit Recipient billing accounts and other required information on the Customer Payment/Credit Transfer Form prior to the commercial operation date of the DG Project. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipient Accounts

- i. No more than fifty percent (50%) of the kWh generated by the DG Project may be allocated to a single Bill Credit Recipient.
- ii. At least fifty percent (50%) of the kWh generated by the DG Project must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system.
- iii. Provided that the conditions specified in (i) and (ii) above have been met, there is no limit to the number of Bill Credit Recipients that may receive Bill Credits from the DG Project. ~~However, the~~ The aggregate kWh transferred to Bill Credit Recipients during a 12-month period, ~~however,~~ may not exceed the aggregate three (3) year average on site use of the Bill Credit Recipients. For Bill Credit Recipients that have less than three (3) years of actual on-site use, a projection of annual on-site use may be used until the actual three (3) year average on-site use becomes available for use in determining the number of eligible Bill Credit Recipients.
- iv. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Applicant must specify each Bill Credit Recipient's percentage share of the DG Project's output on the Customer Payment/Credit Transfer Form.

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- ii. On a monthly basis, and in the aggregate, generated kWh may be allocated to Bill Credit Recipients up to the amount of available generated kWh.
- iii. Generated kWh available to allocate during a month is equal to the current month's generated kWh plus the cumulative generated kWh not allocated during prior months.
- iv. Allocation of generated kWh to Bill Credit Recipient accounts in any billing month will not exceed each individual Bill Credit Recipient's on-site use during that month.
- v. If available aggregate generated kWh is greater than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their monthly use, subject to the Bill Credit Recipient's annual maximum limit.
- vi. If available aggregate generated kWh is less than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their designated percentage share of generator output, subject to the Bill Credit Recipient's annual maximum limit.
- vii. Bill Credit Recipients will receive monthly kWh allocations as long as the cumulative annual allocation is less than the Bill Credit Recipient's maximum annual limit.
- viii. Each Bill Credit Recipient's maximum annual allocation limit will be that Bill Credit Recipient's three (3) year annual average on-site use. For Bill Credit Recipient accounts that have not established a three-year on-site usage history, the maximum annual allocation limit will be estimated initially. Bill Credit Recipients may request that the Company reset their three (3) year annual average once three (3) years of billing history is available.
- ix. Unallocated generated kWh for each month will be calculated as the monthly generated kWh less the sum of the generated kWh allocated to the Bill Credit Recipients for the month. Unallocated generated kWh will be cumulated on an annual basis and the cumulative unallocated generated kWh calculated for each month will be used to increase or decrease the available generated kWh for the subsequent month within the program year. Any unallocated kWh remaining at the end of the program year will be paid to the designated cash recipient pursuant to Section 8.d.3.
- x. Each Applicant may change the specified Bill Credit Recipients associated with a CRDG facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.
- xi. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

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$$BC = \text{ALLOC (kWh)} \times \text{Bill Credit Rate}$$

Where:

$$BC = \text{Bill Credit}$$

ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.d.2.

BILL CREDIT RATE = a per kWh rate used to calculate each Bill Credit Recipient's monthly Bill Credit that may be either a fixed per kWh rate determined by the Applicant or the Default Bill Credit Rate. The Bill Credit Rate must be specified on the Customer Payment/Credit Transfer Form. The Default Bill Credit Rate is defined as the sum of the base Last Resort Service Rate, the Last Resort Service Adjustment Factor, the Last Resort Service Administrative Cost Adjustment Factor, the Transmission Service Cost Adjustment Factor, and the Non-bypassable Transition Service Charge, applicable to the Bill Credit Recipient's rate schedule in effect at the time of the application of the monthly Bill Credit to the Bill Credit Recipient's account. The fixed Bill Credit Rate must be equal to or less than the Default Bill Credit Rate in effect at the time that the Bill Credit Recipient's account information is submitted by the Applicant on the Customer Payment/Credit Transfer Form, and must be greater than the Minimum Bill Credit amount, as indicated in the Tariff Supplement for the Program Year in effect under which the Applicant received a Certificate of Eligibility. The Minimum Bill Credit amount will be calculated as 50% or the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. The selection of the fixed or Default Bill Credit Rate applicable to each Bill Credit Recipient may not be changed once the initial selection is made.

4) Payment of Residual Performance-Based Incentive Payment

- i. Cash payment to the Applicant or designated payment recipient for each month will be as follows:

$$\text{Cash Payment} = \text{Performance-Based Incentive Payment} - (\text{sum of Bill Credit Recipient Bill Credits}) - (\text{Unallocated Bill Credits})$$

Where

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Unallocated Bill Credit=the unallocated generated kWh multiplied by the Default Bill Credit Rate applicable to the Applicant's rate class.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period is less than the monthly generation of the DG Project during the same period, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in a decrease in the monthly cash payment.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period exceeds the monthly generation of the DG Project during the same period, but is less than the available generated kWh as defined in Section 8.d.2.ii, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in an increase in the monthly cash payment.

- ii. Any unallocated generated kWh remaining at the end of the Program Year will be valued at the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output with ISO-NE over the course of the year and will be paid to the designated payment recipient in a lump sum.

e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award by October 1, 2017, are eligible to receive SolarWise Bonus payments. The PBI payments pursuant to Section 8.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Payments under the appropriate SolarWise Bonus Tier will be made pursuant to Option 2 described above. All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the customer at that location minus the estimated annual electric energy (kWh) savings from the realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer's solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

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If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible “Excluded Technologies.” For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

The Company reserves the right to audit customers for compliance with commitments made to qualify for SolarWise Bonus Payments. If the requisite energy efficiency measures are not complete within twelve (12) months of the SolarWise application approval, the Company may withdraw the SolarWise Bonus Payment approval and the Tariff payments will revert to the applicable standard PBI without the SolarWise Bonus payment.

9. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company’s Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company’s Standards for Connecting Distributed Generation. Any application by applicants for Projects seeking to qualify for the Small-Scale Solar class for interconnection under the Standards for Connecting Distributed Generation that is not complete and accurate will be rejected by the Company, as allowed by the Standards for Connecting Distributed Generation, and the applicant will need to resubmit its application for interconnection and Certificate of Eligibility under this program as a new application.
- c. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company’s Net Metering Provision following the termination of the Customer’s participation in the RE Growth Program, a DG Project and a Customer receiving credits from such a facility must comply with the applicable provisions of the Company’s Net Metering Provision.
- d. The Company’s recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.
- e. By participating in the Renewable Energy Growth Program and accepting a Certificate of Eligibility, all enrolled facilities shall be made available for inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection with full access to the facility within 90 days from the date of the Office of Energy Resources’ request for inspection will result in suspension of PBI payments until cured, and may result in termination of the

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Certificate of Eligibility after 180 days from the date of the Office of Energy Resources' request for inspection.

10. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. Termination Provisions

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, or the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, the Company may, after notifying the Customer or Applicant in writing of such non-compliance and providing the Customer or Applicant a reasonable period to remedy such non-compliance and the violation persists, request the Commission to review the non-compliance and determine appropriate action, which may include requiring the Customer or Applicant to comply with the applicable provision being violated or revoking the Customer's or Applicant's Certificate of Eligibility.

12. Statutory Authority

This Tariff is filed in compliance with ~~Rhode Island General Laws §~~Section 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

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Program Year: April 1, 2015 through March 31, 2016

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island General Laws~~ Section § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Facility, and the Term of Service for a particular DG Facility will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance –Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years
Medium-Scale Solar	26 to 250 kW	24.40¢	20 years

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Renewable Energy Class	Ceiling Price	Term of Service
Commercial-Scale Solar	20.95¢	20 years
Large-Scale Solar	16.70¢	20 years
Wind I (1.5MW to 2.99MW) with Investment Tax Credit	18.40¢	20 years
Wind I (1.5MW to 2.99MW) with Production Tax Credit	19.85¢	20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	22.75¢	20 years
Wind II (3.0MW to 5.0MW) with Investment Tax Credit	18.20¢	20 years
Wind II (3.0MW to 5.0MW) with Production Tax Credit	19.45¢	20 years
Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives	22.35¢	20 years
Anaerobic Digestion (150kW to 1,000kW) with Production Tax Credit	20.20¢	20 years

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Renewable Energy Class	Ceiling Price	Term of Service
Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives	20.60¢	20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.80¢	20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.35¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.55¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	20.10¢	20 years

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Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Renewable Energy Class	System Size	Ceiling Price/ Standard Performance-Based Incentive (per kWh)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years
Medium-Scale Solar (including ITC/PTC & Bonus Depreciation)	26 to 250 kW	22.55¢	23.68¢	24.81¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar (including ITC/PTC & Bonus Depreciation)	19.30¢	20 years
Large-Scale Solar (including ITC/PTC & Bonus Depreciation)	15.10¢	20 years
Wind I (1.5MW to 2.99MW) (including ITC/PTC & Bonus Depreciation)	18.75¢	20 years
Wind II (3.0MW to 5.0MW, 2-turbine) (including ITC/PTC & Bonus Depreciation)	18.00¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine) (including ITC/PTC & Bonus Depreciation)	17.40¢	20 years
Anaerobic Digestion I (150kW to 500 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢	20 years
Anaerobic Digestion II (10kW to 250 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢	20 years
Small-Scale Hydropower I (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	18.65¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	17.45¢	20 years

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Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years
Small-Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Renewable Energy Class	System Size	Ceiling Price/ Standard Performance-Based Incentive (per kWh)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years
Medium-Scale Solar	26 to 250 kW	22.75¢	23.89¢	25.03¢	n/a	n/a	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	18.75¢	20 years
Commercial-Scale Solar - CRDG	20.65¢	20 years
Large-Scale Solar	15.05¢	20 years
Large-Scale Solar – CRDG	16.85¢	20 years
Small Wind (10 to 999 kW)	21.45¢	20 years
Wind I (1.0MW to 2.99MW)	19.45¢	20 years
Wind I (1.0MW to 2.99MW) – CRDG	20.65¢	20 years
Wind II (3.0MW to 5.0MW, 2-turbine)	18.25¢	20 years

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Wind II (3.0MW to 5.0MW, 2-turbine) CRDG	19.35¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine)	17.35¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine) CRDG	18.55¢	20 years
Anaerobic Digestion I (150kW to 500 kW)	20.15¢	20 years
Anaerobic Digestion II (501kW to 1,000 kW)	20.15¢	20 years
Small-Scale Hydropower I (10kW to 250kW)	22.45¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW)	22.45¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

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Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind I	0.600¢ per kWh
Wind II	0.550¢ per kWh
Wind III	0.600¢ per kWh
Commercial Solar	0.950¢ per kWh
Large Solar	0.950¢ per kWh

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Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island General Laws~~ Section § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I	1 to 10 kW	28.55¢	20 years
Small-Scale Solar II	11 to 25 kW	29.45¢	20 years
Medium-Scale Solar	26 to 250 kW	24.95¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	19.65¢	20 years
Commercial-Scale Solar - CRDG	22.45¢	20 years
Large-Scale Solar	16.45¢	20 years
Large-Scale Solar – CRDG	18.92¢	20 years
Small Wind (1 to 999 kW)	22.25¢	20 years
Large Wind (1.0MW to 5.0MW)	17.55¢	20 years
Large Wind – CRDG (1.0MW to 5.0MW)	19.35¢	20 years

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Hydroelectric (1.0MW to 5.0MW)	24.55¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	20.55¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Large Wind	0.900¢ per kWh
Commercial Solar	1.250¢ per kWh
Large Solar	1.2350¢ per kWh

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Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island General Laws~~ Section § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	28.45¢	15 years
Small-Scale Solar I	1 to 10 kW	24.95¢	20 years
Small-Scale Solar II	11 to 25 kW	27.65¢	20 years
Medium-Scale Solar	26 to 250 kW	23.55¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	17.85¢	20 years
Commercial-Scale Solar - CRDG	20.53¢	20 years
Large-Scale Solar	15.15¢	20 years
Large-Scale Solar – CRDG	17.42¢	20 years
Small Wind (1 to 999 kW)	24.05¢	20 years
Large Wind (1.0MW to 5.0MW)	19.35¢	20 years
Large Wind – CRDG (1.0MW to 5.0MW)	21.65¢	20 years

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Hydroelectric (1.0MW to 5.0MW)	27.15¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	20.85¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Large Wind	1.135¢ per kWh
Commercial Solar	1.250¢ per kWh
Large Solar	1.150¢ per kWh

The Narragansett Electric Company
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Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I. Gen. Laws § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	29.65¢	15 years
Small-Scale Solar II	11 to 25 kW	23.45¢	20 years
Medium-Scale Solar	26 to 250 kW	21.15¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

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Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar (251-999 kW DC)	18.25¢	20 years
Commercial-Scale Solar – CRDG (251-999 kW DC)	20.99¢	20 years
Large-Scale Solar – (1.0MW to 5.0MW)	13.65¢	20 years
Large-Scale Solar – CRDG - (1.0MW to 5.0MW)	15.70¢	20 years
Wind (up to 5.0MW)	18.85¢	20 years
Wind – CRDG (1.0MW to 5.0MW)	21.05¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	15.35¢	20 years
Hydroelectric (1.0MW to 5.0MW)	21.45¢	20 years
Solar Carport Incentive	6¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind	1.10¢ per kWh
Commercial Solar	1.25¢ per kWh
Large Solar	1.03¢ per kWh

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Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

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Tariff Supplement

Program Year: April 1, 2021 through March 31, 2022

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 15 kW DC	28.75¢	15 years
Small-Scale Solar II	16 to 25 kW DC	24.35¢	20 years
Medium-Scale Solar	26 to 250 kW DC	21.65¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

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 Tariff Supplement

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Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar I (251-750 kW DC)	18.55¢	20 years
Commercial-Scale Solar II (751-999 kW DC)	15.25¢	20 years
Commercial-Scale Solar – CRDG (251-750 kW DC)	21.33¢	20 years
Commercial-Scale Solar – CRDG (751-999 kW DC)	17.54¢	20 years
Large-Scale Solar – (1.0MW to 5.0MW DC)	11.35¢	20 years
Large-Scale Solar – CRDG - (1.0MW to 5.0MW DC)	13.05¢	20 years
Wind (up to 5.0MW)	18.75¢	20 years
Wind – CRDG (up to 5.0MW)	21.05¢	20 years
Anaerobic Digestion I (up to 5.0 MW)	15.85¢	20 years
Hydroelectric (up to 5.0MW)	27.35¢	20 years
Solar Carport Incentive	5¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

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Program Year: April 1, 2021 through March 31, 2022

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind	1.15¢ per kWh
Commercial Solar (251-750 kW)	1.25¢ per kWh
Commercial Solar (751-999 kW)	1.14¢ per kWh
Large Solar	0.85¢ per kWh

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS**

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for an eligible distributed generation project (“DG Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer’s service location or another location that allows for interconnection to the Company’s electric distribution system. For this purpose, a Non-Residential Customer (“Customer”) is defined as a customer receiving retail delivery service on any rate schedule other than the Company’s residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the Bill Credit Recipient(s), the recipient of Performance-Based Incentive Payments, the total cost of the project, indication of whether the system is a “self-install” by the Customer/Project Owner, proof of completed mandatory training from the Rhode Island Office of Energy Resources if the system is a “self-install”, and both the General Contractor registration number and the Electrician license number of the entities constructing the project. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company’s Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the DG Project in the RE Growth Program, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.

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- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: means a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to On-Site Use subject to the eligibility requirements and provisions of Section 8.
- d. Bill Credit Recipient: a Customer, as defined below, who is eligible to receive Bill Credits from a Community Remote Distributed Generation System, a Shared Solar Facility, or Standard DG Project pursuant to the eligibility rules in Section 8., or a person or entity that is a customer of record and receiving Residential retail delivery service pursuant to one of the Company's residential retail delivery service rate schedules, who is eligible to receive credits from a Community Remote Distributed Generation System or a Shared Solar Facility. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any applicable electric service, payment plans or agreements, including but not limited to meeting all obligations under an interconnection service agreement. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- e. Board: the Distributed Generation Board established pursuant to Rhode Island General Laws Section 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- g. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- h. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- i. Commission: the Rhode Island Public Utilities Commission.
- j. Community Remote Distributed Generation System: a distributed generation facility with a nameplate capacity greater than two hundred fifty kilowatts (250 kW) and which allocates Bill Credits for each kilowatt-hour (kWh) generated to a minimum of three (3) eligible recipient customer accounts pursuant to the rules specified in Section 8. The Community Remote Distributed Generation System may be owned by the same entity that is the Applicant, the Customer, or another party.
- k. Company: The Narragansett Electric Company.

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- l. Customer: a person or entity that is receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules for a single location having an electric service billing account, and the person or entity is listed as the customer-of-record on the billing account associated with the service location. If the person or entity has more than one account as the Customer-of-record, each account service location will be considered as a separate Customer. The Customer may be the Applicant, a Bill Credit Recipient or a third party.
- m. Customer Payment/Credit Transfer Form: means a form submitted by the Applicant prior to the commercial operation date of the DG Project, and updated periodically as necessary, containing all required information necessary to process monthly Performance-Based Incentive Payments and Bill Credits.
- n. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in Rhode Island General Laws Section 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.
- o. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- p. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year but is no greater than five megawatts (5 MW) nameplate capacity.
- q. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).
- r. Low-Income Discount: the discount provided to a customer receiving delivery service on the Low-Income Rate A-60 pursuant to the terms of the Low-Income Rate A-60 tariff.
- s. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- t. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.
- u. Office: the Rhode Island Office of Energy Resources.

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- v. **On-Site Use:** the amount of energy used at a Customer or Bill Credit Recipient service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- w. **Output Certification:** certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- x. **Performance-Based Incentive:** either a standard or competitively bid price per kilowatt-hour (“kWh”) that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- y. **Program Year:** a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- z. **Renewable Energy Classes:** categories for different renewable energy technologies using eligible renewable energy resources as defined in Rhode Island General Laws Section 39-26---5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels specified in Rhode Island General Laws Section 39-26---2(6).
- aa. **Renewable Energy Certificate (“REC”):** an electronic record produced by the New England Power Pool Generation Information System (“NEPOOL-GIS”) that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- bb. **Shared Solar Facility:** a single Small-Scale or Medium-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in Section 8. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.
- cc. **Small-Scale Solar Project:** a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- dd. **Small DG Project:** either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).
- ee. **Solar Carport:** The portion of the direct current (DC) nameplate capacity of a Solar DG Project that is installed above a permeable and/or non-permeable existing or new parking area and associated

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access and walkway areas (as recognized by the local municipal building and/or zoning department), which is installed in a manner that maintains the function of the area beneath the structure, and is continued to be used or available for use for such purposes for the term of enrollment in this tariff.

- ff. SolarWise Program: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to Rhode Island General Laws Section 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to Rhode Island General Laws Section 39-1-27.7.
- gg. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.
- hh. Standard DG Project: a project that is not classified as either a Shared Solar Facility or a Community Remote Distributed Generation System.
- ii. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

3. Performance Guarantee Deposit

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit ("Deposit") as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project's first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project's operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic digestion; or (3) 24 months for all other DG Projects. If the Output Certification is not received

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within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.

- e. Once a DG Project has provided the Output Certification to the Company, the project then has 90 days to meet all other requirements specified in Section 8(a) to receive payment pursuant to the Tariff.
- f. An Applicant may elect, for any reason, to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect, for any reason, to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total. Prior to the expiration of the timeframe applicable to the Applicant's DG Project, as specified herein Section 3(d) or as extended as provided for by Section 3(f), the Applicant must notify the Company of its election to extend the DG Project deadline.
- g. If the Applicant is unable to provide the Output Certification within the timeframe specified in Section 3(d), or as extended pursuant to Section 3(f), because of non-completion of the necessary system modifications on the Company's side of the meter or any other interconnection delays that are beyond the reasonable control of the Applicant, the deadline for providing the Output Certification will be extended until such time as the DG Project has received approval from the Company to interconnect to the Company's distribution system and begin production, with no additional deposit required.
- h. If an act of God occurs within the timeframe allowed for providing the Output Certification, and as a direct result of the act of God, the DG Project is incapable of providing the Output Certification within the timeframe prescribed in this Tariff, the DG Project shall be terminated, and the Deposit shall be refunded immediately.
- i. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff.

4. Interconnection

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation and coordinated or delegated by the Applicant.

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- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The DG Projects use different renewable energy resources; or
- ii. The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.
- iv. If two or more projects are proposed on same or contiguous parcels and their combined nameplate capacity does not total to an amount that exceeds the class nameplate range of the enrollment class of the individual projects

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the same DG Project during the term specified in the applicable Tariff supplement.

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6. Metering

- a. A Company-owned meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. An interval meter will be installed on all projects greater than 25 kW in AC capacity. In the event that there is an existing service location with an existing meter, the meter for the DG Project shall be wired in parallel with, and be adjacent to, the existing service meter, or in another location as approved by the Company pursuant with the Company's specifications and policies on metering. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.
- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenue-quality interval meter and associated metering equipment, including required remote communication for measuring and reporting the output of the DG Project as well as any existing service meter. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carriers ("Division") Rules for Prescribing Standards for Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.
- c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.
- d. Energy storage systems ("ESS"), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter.

7. Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes

- a. Prior to receiving compensation pursuant to Section 8 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard, 810-RICR-40-05-2. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

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- b. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project, provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project at any time after it is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the DG Project during the term of service specified on the applicable Tariff supplement.

- (1) RECs: RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the DG Project with the NEPOOL-GIS. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

Small-Scale Solar Projects shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

- (2) Energy: Except for Small-Scale Solar Projects, energy must be delivered to the Company in the Company's ISO-NE load zone at the delivery node associated with the DG Project. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.
- (3) Capacity: The Company may qualify the DG Project as an Existing Capacity Resource in the Forward Capacity Market ("FCM") after the Commercial Operation Date to participate in the FCM, as determined by the Company, in consultation with the Division. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary capacity asset. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

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8. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; 4) a copy of the Project's approved State of Rhode Island Solar Permit or building permit, including the responsible Rhode Island General Contractor's Number; and 5) except for small-scale and medium-scale solar, the Output Certification. Small-Scale Solar Projects can demonstrate completion of items 2 and 3 by the completion of the Renewable Energy Certificate Assignment and Aggregation Form. If an Applicant or Customer is no longer in good standing with regard to payment plans or agreements, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff. In addition, all Bill Credit Recipient(s) must remain in good standing with regard to the electric service account(s) receiving Bill Credits pursuant to this tariff, or the Company may withhold Bill Credits until such an account is again in good standing. If payments to an Applicant are suspended or withheld for any reason, up to 90 days of Performance Based Incentive payments and bill credits (if applicable) will be available to be paid once the suspension is cured; the value of all generation that occurred prior to 90 days of the cure will be forfeited.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Projects shall be determined through competitive bidding.

If applicable, for any Customer who has applied for and received approval for a SolarWise Bonus Tier and has met all of the requirements to receive a SolarWise Bonus by October 15, 2017, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Projects that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

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Solar Carport Incentive: A Customer whose DG Project includes nameplate capacity that meets the definition as a Solar Carport, and whose estimated interconnection cost on a \$/kW-DC basis as shown in a valid Distributed Generation Impact Study from the Company is below the average cost for other projects in its technology and size class, as quoted in the Average Interconnection Cost Guideline,¹ will be eligible for the Solar Carport Incentive specified in the applicable Tariff supplement and will be included in the Performance Based Incentive amount for the specific DG Project. The Solar Carport Incentive amount will be calculated as follows:

$$SCI_{SCP} = SCCN_{SCP} \div PCN_{SCP} \times SCIR_{YEAR}$$

$$PBI_{SCP} = PBIB_{SCP} + SCI_{SCP}$$

Where:

$$SCI_{SCP} = \text{Solar Carport PBI Adder}$$

$$SCCN_{SCP} = \text{Solar Carport Capacity Nameplate (kW DC)}$$

$$PCN_{SCP} = \text{Project Capacity Nameplate (kW DC)}$$

$$SCIR_{YEAR} = \text{Program Year Solar Carport Incentive Rate}$$

$$SCP = \text{Solar Carport Project}$$

$$PBI_{SCP} = \text{Solar Carport Project PBI}$$

$$PBIB_{SCP} = \text{Solar Carport Competitive Bid PBI}$$

The SCI will be added to the competitively bid PBI of the specific project upon acceptance, and the total amount will be paid on all generation of the total DG Project and will be provided on the Customer's Certificate of Eligibility. Any change in the DC nameplate rating of a Solar Carport portion of a project as built must be provided to the Company prior to Authority to Interconnect, and adjustments to the SCA will be reflected in the final Certificate of Eligibility provided to the Customer. Additionally, the project owner shall provide final cost data, with documentation to verify costs (invoices, contracts, etc.) for the carport's canopy structure and mounting system at the time of approval of final Certificate of Eligibility as a condition for receiving payment of the PBI and Carport Adder. No changes to the Solar Carport portion of the project are permitted after the project is operational.

¹ The Average Interconnection Cost Guideline will be posted in the RE Growth section of the Company's interconnection web page, and provided as an attachment to the Open Enrollment application package for solar projects greater than 25 kW DC.

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c. Performance Based Incentive Payment for Standard DG Projects and Shared Solar.

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have been awarded a Certificate of Eligibility for a DG Project will receive Performance-Based Incentive Payments in accordance with the rules specified in this section. Except for Shared Solar Facilities, Applicants may choose to receive Performance-Based Incentive Payments in the form of either cash or a combination of cash and Bill Credits. Shared Solar Facilities will receive Performance-Based Incentive Payments as a combination of cash payments and Bill Credits. Applicants will be responsible for designating Bill Credit Recipient billing account(s), and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For DG Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

- 1) Bill Credit Recipients
 - i. Standard DG Projects are not required to designate a Bill Credit Recipient. If Standard DG Projects choose to designate a Bill Credit Recipient, however, they may designate only the Customer as the sole Bill Credit Recipient.
 - ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
 - iii. Shared Solar Bill Credit Recipients must be in the same customer class (i.e., Residential or Non-Residential) but may be in different retail delivery service rate classes.
 - iv. The Bill Credit Recipients of Standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the DG Project. Properties that are separated by a public way will not be considered to be adjacent. Applicants who operate a Shared Solar Facility on behalf of a Public Entity may designate Bill Credit Recipients without regard to physical location so long as the Shared Solar Facility's and Bill Credit Recipient's points of service, which must all belong to the same municipality or public entity, are located within the same municipality.
 - v. The Applicant may make changes to the Bill Credit Recipients of a Shared Solar facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.

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- vi. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's maximum annual limit, which is defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. A Bill Credit Recipient may request that the Company reset its three (3) year annual average use once three (3) years of billing history is available.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. Applicants with Shared Solar Facilities must select Option 2. Standard DG Projects may select Option 2 only if the DG Project can be configured to serve on-site load. If the Applicant selects Option 2, the DG Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use or the aggregate On-site Use of all Bill Credit Recipients if the DG Project is a Shared Solar Facility, as measured over the previous three (3) years at the electric service account located at the Customer or Bill Credit Recipient's service location(s); 2) the annualized On-Site Use over the period of service to the Customer or Bill Credit Recipient's service location(s) if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the DG Project is located at a new service location. The Applicant may change the selection only one time after the DG Project begins to operate provided that the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

- 1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or
- 2. Option 2: A combination of direct payment and Bill Credit Recipient Bill Credits.

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If the Applicant selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

$$BC = \text{ALLOC (kWh)} \times (DC + TC + \text{TrC} + \text{LRS})$$

Where:

BC = Bill Credit

ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.c.(2)(i).

DC = the distribution charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

TC = the Transmission Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

TrC = the Transition Charge per R.I.P.U.C. No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

LRS = the Last Resort Service charge applicable to the Bill Credit Recipient's retail delivery service rate class per R.I.P.U.C. No. 2096, Summary of Last Resort Service Rates, as may be amended from time to time, exclusive of the renewable energy standard charge or credit.

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipients will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, the Bill Credit Recipients shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Last Resort Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to

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the calculation of the Performance-Based Incentive Payment charged or credited to the Bill Credit Recipients or the recipient identified on the Application.

d. Performance-Based Incentive Payment for Community Remote Distributed Generation Systems

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have received a Certificate of Eligibility for a Community Remote Distributed Generation System will receive Performance-Based Incentive Payments in the form of Bill Credits applicable to a minimum of three (3) eligible Bill Credit Recipients and residual cash payments. Applicants will be responsible for designating Bill Credit Recipient billing accounts and other required information on the Customer Payment/Credit Transfer Form prior to the commercial operation date of the DG Project. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipient Accounts

- i. No more than fifty percent (50%) of the kWh generated by the DG Project may be allocated to a single Bill Credit Recipient.
- ii. At least fifty percent (50%) of the kWh generated by the DG Project must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system.
- iii. Provided that the conditions specified in (i) and (ii) above have been met, there is no limit to the number of Bill Credit Recipients that may receive Bill Credits from the DG Project. The aggregate kWh transferred to Bill Credit Recipients during a 12-month period, however, may not exceed the aggregate three (3) year average on site use of the Bill Credit Recipients. For Bill Credit Recipients that have less than three (3) years of actual on-site use, a projection of annual on-site use may be used until the actual three (3) year average on-site use becomes available for use in determining the number of eligible Bill Credit Recipients.
- iv. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Applicant must specify each Bill Credit Recipient's percentage share of the DG Project's output on the Customer Payment/Credit Transfer Form.

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- ii. On a monthly basis, and in the aggregate, generated kWh may be allocated to Bill Credit Recipients up to the amount of available generated kWh.
- iii. Generated kWh available to allocate during a month is equal to the current month's generated kWh plus the cumulative generated kWh not allocated during prior months.
- iv. Allocation of generated kWh to Bill Credit Recipient accounts in any billing month will not exceed each individual Bill Credit Recipient's on-site use during that month.
- v. If available aggregate generated kWh is greater than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their monthly use, subject to the Bill Credit Recipient's annual maximum limit.
- vi. If available aggregate generated kWh is less than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their designated percentage share of generator output, subject to the Bill Credit Recipient's annual maximum limit.
- vii. Bill Credit Recipients will receive monthly kWh allocations as long as the cumulative annual allocation is less than the Bill Credit Recipient's maximum annual limit.
- viii. Each Bill Credit Recipient's maximum annual allocation limit will be that Bill Credit Recipient's three (3) year annual average on-site use. For Bill Credit Recipient accounts that have not established a three-year on-site usage history, the maximum annual allocation limit will be estimated initially. Bill Credit Recipients may request that the Company reset their three (3) year annual average once three (3) years of billing history is available.
- ix. Unallocated generated kWh for each month will be calculated as the monthly generated kWh less the sum of the generated kWh allocated to the Bill Credit Recipients for the month. Unallocated generated kWh will be cumulated on an annual basis and the cumulative unallocated generated kWh calculated for each month will be used to increase or decrease the available generated kWh for the subsequent month within the program year. Any unallocated kWh remaining at the end of the program year will be paid to the designated cash recipient pursuant to Section 8.d.3.
- x. Each Applicant may change the specified Bill Credit Recipients associated with a CRDG facility once per calendar quarter and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.
- xi. For Bill Credit Recipients enrolled in the Company's A-60 Residential Rate, the maximum annual allocation limit will be either 70% or 75% of their three (3) year annual average on-site usage depending on whether they are receiving a 30% or 25% Low-Income Discount.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

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$$BC = \text{ALLOC (kWh)} \times \text{Bill Credit Rate}$$

Where:

$$BC = \text{Bill Credit}$$

ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.d.2.

BILL CREDIT RATE = a per kWh rate used to calculate each Bill Credit Recipient's monthly Bill Credit that may be either a fixed per kWh rate determined by the Applicant or the Default Bill Credit Rate. The Bill Credit Rate must be specified on the Customer Payment/Credit Transfer Form. The Default Bill Credit Rate is defined as the sum of the base Last Resort Service Rate, the Last Resort Service Adjustment Factor, the Last Resort Service Administrative Cost Adjustment Factor, the Transmission Service Cost Adjustment Factor, and the Non-bypassable Transition Service Charge, applicable to the Bill Credit Recipient's rate schedule in effect at the time of the application of the monthly Bill Credit to the Bill Credit Recipient's account. The fixed Bill Credit Rate must be equal to or less than the Default Bill Credit Rate in effect at the time that the Bill Credit Recipient's account information is submitted by the Applicant on the Customer Payment/Credit Transfer Form and must be greater than the Minimum Bill Credit amount, as indicated in the Tariff Supplement for the Program Year in effect under which the Applicant received a Certificate of Eligibility. The Minimum Bill Credit amount will be calculated as 50% or the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. The selection of the fixed or Default Bill Credit Rate applicable to each Bill Credit Recipient may not be changed once the initial selection is made.

4) Payment of Residual Performance-Based Incentive Payment

- i. Cash payment to the Applicant or designated payment recipient for each month will be as follows:

$$\text{Cash Payment} = \text{Performance-Based Incentive Payment} - (\text{sum of Bill Credit Recipient Bill Credits}) - (\text{Unallocated Bill Credits})$$

Where

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Unallocated Bill Credit=the unallocated generated kWh multiplied by the Default Bill Credit Rate applicable to the Applicant's rate class.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period is less than the monthly generation of the DG Project during the same period, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in a decrease in the monthly cash payment.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period exceeds the monthly generation of the DG Project during the same period, but is less than the available generated kWh as defined in Section 8.d.2.ii, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in an increase in the monthly cash payment.

- ii. Any unallocated generated kWh remaining at the end of the Program Year will be valued at the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output with ISO-NE over the course of the year and will be paid to the designated payment recipient in a lump sum.

e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award by October 1, 2017, are eligible to receive SolarWise Bonus payments. The PBI payments pursuant to Section 8.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Payments under the appropriate SolarWise Bonus Tier will be made pursuant to Option 2 described above. All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the customer at that location minus the estimated annual electric energy (kWh) savings from the realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer's solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

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If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible “Excluded Technologies.” For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

The Company reserves the right to audit customers for compliance with commitments made to qualify for SolarWise Bonus Payments. If the requisite energy efficiency measures are not complete within twelve (12) months of the SolarWise application approval, the Company may withdraw the SolarWise Bonus Payment approval and the Tariff payments will revert to the applicable standard PBI without the SolarWise Bonus payment.

9. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company’s Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company’s Standards for Connecting Distributed Generation. Any application by applicants for Projects seeking to qualify for the Small-Scale Solar class for interconnection under the Standards for Connecting Distributed Generation that is not complete and accurate will be rejected by the Company, as allowed by the Standards for Connecting Distributed Generation, and the applicant will need to resubmit its application for interconnection and Certificate of Eligibility under this program as a new application.
- c. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company’s Net Metering Provision following the termination of the Customer’s participation in the RE Growth Program, a DG Project and a Customer receiving credits from such a facility must comply with the applicable provisions of the Company’s Net Metering Provision.
- d. The Company’s recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.
- e. By participating in the Renewable Energy Growth Program and accepting a Certificate of Eligibility, all enrolled facilities shall be made available for inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection with full access to the facility within 90 days from the date of the Office of Energy Resources’ request for inspection will result in suspension of PBI payments until cured and may result in termination of the Certificate of Eligibility after 180 days from the date of the Office of Energy Resources’ request for inspection.

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10. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. Termination Provisions

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, or the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, the Company may, after notifying the Customer or Applicant in writing of such non-compliance and providing the Customer or Applicant a reasonable period to remedy such non-compliance and the violation persists, request the Commission to review the non-compliance and determine appropriate action, which may include requiring the Customer or Applicant to comply with the applicable provision being violated or revoking the Customer's or Applicant's Certificate of Eligibility.

12. Statutory Authority

This Tariff is filed in compliance with Rhode Island General Laws Section 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Facility, and the Term of Service for a particular DG Facility will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance –Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years
Medium-Scale Solar	26 to 250 kW	24.40¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

Renewable Energy Class	Ceiling Price	Term of Service
Commercial-Scale Solar	20.95¢	20 years
Large-Scale Solar	16.70¢	20 years
Wind I (1.5MW to 2.99MW) with Investment Tax Credit	18.40¢	20 years
Wind I (1.5MW to 2.99MW) with Production Tax Credit	19.85¢	20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	22.75¢	20 years
Wind II (3.0MW to 5.0MW) with Investment Tax Credit	18.20¢	20 years
Wind II (3.0MW to 5.0MW) with Production Tax Credit	19.45¢	20 years
Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives	22.35¢	20 years
Anaerobic Digestion (150kW to 1,000kW) with Production Tax Credit	20.20¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

Renewable Energy Class	Ceiling Price	Term of Service
Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives	20.60¢	20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.80¢	20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.35¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.55¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	20.10¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years
Medium-Scale Solar (including ITC/PTC & Bonus Depreciation)	26 to 250 kW	22.55¢	23.68¢	24.81¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar (including ITC/PTC & Bonus Depreciation)	19.30¢	20 years
Large-Scale Solar (including ITC/PTC & Bonus Depreciation)	15.10¢	20 years
Wind I (1.5MW to 2.99MW) (including ITC/PTC & Bonus Depreciation)	18.75¢	20 years
Wind II (3.0MW to 5.0MW, 2-turbine) (including ITC/PTC & Bonus Depreciation)	18.00¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine) (including ITC/PTC & Bonus Depreciation)	17.40¢	20 years
Anaerobic Digestion I (150kW to 500 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢	20 years
Anaerobic Digestion II (10kW to 250 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢	20 years
Small-Scale Hydropower I (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	18.65¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	17.45¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years
Small-Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1)	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years
Medium-Scale Solar	26 to 250 kW	22.75¢	23.89¢	25.03¢	n/a	n/a	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	18.75¢	20 years
Commercial-Scale Solar - CRDG	20.65¢	20 years
Large-Scale Solar	15.05¢	20 years
Large-Scale Solar – CRDG	16.85¢	20 years
Small Wind (10 to 999 kW)	21.45¢	20 years
Wind I (1.0MW to 2.99MW)	19.45¢	20 years
Wind I (1.0MW to 2.99MW) – CRDG	20.65¢	20 years
Wind II (3.0MW to 5.0MW, 2-turbine)	18.25¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Wind II (3.0MW to 5.0MW, 2-turbine) CRDG	19.35¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine)	17.35¢	20 years
Wind III (3.0MW to 5.0MW, 3-turbine) CRDG	18.55¢	20 years
Anaerobic Digestion I (150kW to 500 kW)	20.15¢	20 years
Anaerobic Digestion II (501kW to 1,000 kW)	20.15¢	20 years
Small-Scale Hydropower I (10kW to 250kW)	22.45¢	20 years
Small-Scale Hydropower II (251kW to 1,000kW)	22.45¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind I	0.600¢ per kWh
Wind II	0.550¢ per kWh
Wind III	0.600¢ per kWh
Commercial Solar	0.950¢ per kWh
Large Solar	0.950¢ per kWh

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2018 through March 31, 2019

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	32.25¢	15 years
Small-Scale Solar I	1 to 10 kW	28.55¢	20 years
Small-Scale Solar II	11 to 25 kW	29.45¢	20 years
Medium-Scale Solar	26 to 250 kW	24.95¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2018 through March 31, 2019

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	19.65¢	20 years
Commercial-Scale Solar - CRDG	22.45¢	20 years
Large-Scale Solar	16.45¢	20 years
Large-Scale Solar – CRDG	18.92¢	20 years
Small Wind (1 to 999 kW)	22.25¢	20 years
Large Wind (1.0MW to 5.0MW)	17.55¢	20 years
Large Wind – CRDG (1.0MW to 5.0MW)	19.35¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2018 through March 31, 2019

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Hydroelectric (1.0MW to 5.0MW)	24.55¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	20.55¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Large Wind	0.900¢ per kWh
Commercial Solar	1.250¢ per kWh
Large Solar	1.2350¢ per kWh

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2019 through March 31, 2020

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	28.45¢	15 years
Small-Scale Solar I	1 to 10 kW	24.95¢	20 years
Small-Scale Solar II	11 to 25 kW	27.65¢	20 years
Medium-Scale Solar	26 to 250 kW	23.55¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2019 through March 31, 2020

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar	17.85¢	20 years
Commercial-Scale Solar - CRDG	20.53¢	20 years
Large-Scale Solar	15.15¢	20 years
Large-Scale Solar – CRDG	17.42¢	20 years
Small Wind (1 to 999 kW)	24.05¢	20 years
Large Wind (1.0MW to 5.0MW)	19.35¢	20 years
Large Wind – CRDG (1.0MW to 5.0MW)	21.65¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2019 through March 31, 2020

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Hydroelectric (1.0MW to 5.0MW)	27.15¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	20.85¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Large Wind	1.135¢ per kWh
Commercial Solar	1.250¢ per kWh
Large Solar	1.150¢ per kWh

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I. Gen. Laws § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 10 kW	29.65¢	15 years
Small-Scale Solar II	11 to 25 kW	23.45¢	20 years
Medium-Scale Solar	26 to 250 kW	21.15¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar (251-999 kW DC)	18.25¢	20 years
Commercial-Scale Solar – CRDG (251-999 kW DC)	20.99¢	20 years
Large-Scale Solar – (1.0MW to 5.0MW)	13.65¢	20 years
Large-Scale Solar – CRDG - (1.0MW to 5.0MW)	15.70¢	20 years
Wind (up to 5.0MW)	18.85¢	20 years
Wind – CRDG (1.0MW to 5.0MW)	21.05¢	20 years
Anaerobic Digestion I (1.0MW to 5.0 MW)	15.35¢	20 years
Hydroelectric (1.0MW to 5.0MW)	21.45¢	20 years
Solar Carport Incentive	6¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind	1.10¢ per kWh
Commercial Solar	1.25¢ per kWh
Large Solar	1.03¢ per kWh

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2020 through March 31, 2021

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2021 through March 31, 2022

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with Rhode Island General Laws Section 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Term of Service
Small-Scale Solar I	1 to 15 kW DC	28.75¢	15 years
Small-Scale Solar II	16 to 25 kW DC	24.35¢	20 years
Medium-Scale Solar	26 to 250 kW DC	21.65¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2021 through March 31, 2022

Renewable Energy Class	Ceiling Price (per kWh)	Term of Service
Commercial-Scale Solar I (251-750 kW DC)	18.55¢	20 years
Commercial-Scale Solar II (751-999 kW DC)	15.25¢	20 years
Commercial-Scale Solar – CRDG (251-750 kW DC)	21.33¢	20 years
Commercial-Scale Solar – CRDG (751-999 kW DC)	17.54¢	20 years
Large-Scale Solar – (1.0MW to 5.0MW DC)	11.35¢	20 years
Large-Scale Solar – CRDG - (1.0MW to 5.0MW DC)	13.05¢	20 years
Wind (up to 5.0MW)	18.75¢	20 years
Wind – CRDG (up to 5.0MW)	21.05¢	20 years
Anaerobic Digestion I (up to 5.0 MW)	15.85¢	20 years
Hydroelectric (up to 5.0MW)	27.35¢	20 years
Solar Carport Incentive	5¢	20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2021 through March 31, 2022

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the program year are as follows:

Renewable Energy Class	Minimum Bill Credit
Wind	1.15¢ per kWh
Commercial Solar (251-750 kW)	1.25¢ per kWh
Commercial Solar (751-999 kW)	1.14¢ per kWh
Large Solar	0.85¢ per kWh

The Narragansett Electric Company
Environmental Response Fund Provision

The Environmental Response Fund shall fund the recovery of Environmental Response Costs, as defined below.¹

(A) Definition of Environmental Response Costs

Environmental Response Costs are all the reasonable and prudently incurred costs associated with remedial and clean-up obligations of The Narragansett Electric Company (“Narragansett” or the “Company”), or its predecessor companies, arising out of (i) Narragansett’s or its predecessors’ utility-related ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities from such gas plants; and (ii) electric operations other than electricity generation² of Narragansett or its predecessor companies that gave rise to deposits or waste, which are regulated under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), Resource Conservation and Recovery Act (“RCRA”), Rhode Island General Laws Chapter 23-19.14, or any other laws, regulations, or orders by courts or governmental authorities, now located on Company property or on property to which the deposits may have migrated, or on any off-site location at which the deposits or waste may have been deposited and to sites to which such material may have migrated. A list of the known locations of manufactured gas waste sites and other sites containing material subject to this section is provided in section (D) below. Narragansett shall have the right to propose additions to the list of sites by including the request to include additional sites at the time that Narragansett files its annual report under subparagraph (C) below, provided that the inclusion of the Environmental Response Costs associated with additional sites to be charged to the fund shall be subject to the approval of the Commission. In addition to actual remedial and clean-up costs, Environmental Response Costs also include costs of acquiring property associated with the clean up of such sites as well as litigation costs, claims, judgments, and settlements associated with such sites. The Company will use best efforts to satisfy its obligation to minimize the Environmental Response Costs charged to the fund consistent with applicable regulatory requirements and sound environmental policies and to minimize litigation costs that may arise. Any applicable insurance proceeds and any net gains (after transaction costs) associated with the sale or lease of land listed in section (D) shall be credited to the fund. To the extent the Company incurs any other extraordinary environmental liability of which it is not aware as of March 14, 2000, the date the fund was established, the Company has the right to request the Commission to allow such costs incurred in connection with such extraordinary events to be included as Environmental Response Costs.

(B) Funding

Interest shall accrue, for the benefit of customers, on any credit balances in the fund at the

¹ The Environmental Response Fund was established in Docket No. 2930 (2000).

² The environmental response costs associated with generation are recovered under Narragansett’s restructuring settlement with New England Power Company, approved by FERC in Docket Nos. ER97-678-000 and 97-680-000.

The Narragansett Electric Company
Environmental Response Fund Provision

customer deposit rate. No interest shall accrue on debit balances. Any cash expenditures shall be charged to the fund as long as the costs that are or have been incurred are Environmental Response Costs, as defined above. The fund shall be credited at the annual amount of \$3,078,000 or \$256,500 per month.

(C) Annual Reports

The Company will file an annual report with the Commission providing a summary and accounting of all costs incurred during such year which have been applied to the fund. Such costs are subject to review to ensure they fall within the definition of Environmental Response Costs, as defined above.

(D) List of Eligible Sites

Washington Street, Bristol

Thames Street, Bristol

Main Street, Warren (Closed)

Canal Street, Westerly

Industrial Drive, Westerly

Tidewater Street, Pawtucket

Exchange Street, Pawtucket

High Street, Central Falls

Hamlet Ave, Woonsocket

Pond Street, Woonsocket

Cumberland (remote disposal location)

Lawn Street, Attleboro, MA

Mendon Road, Attleboro, MA (Closed)

Melrose Street, Providence

The Narragansett Electric Company
Environmental Response Fund Provision

J.M. Mills Landfill Site

Quonset Point Site

Great Lakes Container Corporation Superfund Site, Coventry, Kent County, Rhode Island

Kyan Street, Lowell, MA (Chandonnet Site)

Admiral Street, Providence

Wakefield No. 17 Substation, South Kingstown

Lakewood No. 57 Substation, Warwick

~~Effective Date: September 1, 2022~~ May 4, 2017

The Narragansett Electric Company
Environmental Response Fund Provision

The Environmental Response Fund shall fund the recovery of Environmental Response Costs, as defined below.¹

(A) Definition of Environmental Response Costs

Environmental Response Costs are all the reasonable and prudently incurred costs associated with remedial and clean-up obligations of The Narragansett Electric Company (“Narragansett” or the “Company”), or its predecessor companies, arising out of (i) Narragansett’s or its predecessors’ utility-related ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities from such gas plants; and (ii) electric operations other than electricity generation² of Narragansett or its predecessor companies that gave rise to deposits or waste, which are regulated under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), Resource Conservation and Recovery Act (“RCRA”), Rhode Island General Laws Chapter 23-19.14, or any other laws, regulations, or orders by courts or governmental authorities, now located on Company property or on property to which the deposits may have migrated, or on any off-site location at which the deposits or waste may have been deposited and to sites to which such material may have migrated. A list of the known locations of manufactured gas waste sites and other sites containing material subject to this section is provided in section (D) below. Narragansett shall have the right to propose additions to the list of sites by including the request to include additional sites at the time that Narragansett files its annual report under subparagraph (C) below, provided that the inclusion of the Environmental Response Costs associated with additional sites to be charged to the fund shall be subject to the approval of the Commission. In addition to actual remedial and clean-up costs, Environmental Response Costs also include costs of acquiring property associated with the clean up of such sites as well as litigation costs, claims, judgments, and settlements associated with such sites. The Company will use best efforts to satisfy its obligation to minimize the Environmental Response Costs charged to the fund consistent with applicable regulatory requirements and sound environmental policies and to minimize litigation costs that may arise. Any applicable insurance proceeds and any net gains (after transaction costs) associated with the sale or lease of land listed in section (D) shall be credited to the fund. To the extent the Company incurs any other extraordinary environmental liability of which it is not aware as of March 14, 2000, the date the fund was established, the Company has the right to request the Commission to allow such costs incurred in connection with such extraordinary events to be included as Environmental Response Costs.

(B) Funding

Interest shall accrue, for the benefit of customers, on any credit balances in the fund at the

¹ The Environmental Response Fund was established in Docket No. 2930 (2000).

² The environmental response costs associated with generation are recovered under Narragansett’s restructuring settlement with New England Power Company, approved by FERC in Docket Nos. ER97-678-000 and 97-680-000.

The Narragansett Electric Company
Environmental Response Fund Provision

customer deposit rate. No interest shall accrue on debit balances. Any cash expenditures shall be charged to the fund as long as the costs that are or have been incurred are Environmental Response Costs, as defined above. The fund shall be credited at the annual amount of \$3,078,000 or \$256,500 per month.

(C) Annual Reports

The Company will file an annual report with the Commission providing a summary and accounting of all costs incurred during such year which have been applied to the fund. Such costs are subject to review to ensure they fall within the definition of Environmental Response Costs, as defined above.

(D) List of Eligible Sites

Washington Street, Bristol

Thames Street, Bristol

Main Street, Warren (Closed)

Canal Street, Westerly

Industrial Drive, Westerly

Tidewater Street, Pawtucket

Exchange Street, Pawtucket

High Street, Central Falls

Hamlet Ave, Woonsocket

Pond Street, Woonsocket

Cumberland (remote disposal location)

Lawn Street, Attleboro, MA

Mendon Road, Attleboro, MA (Closed)

Melrose Street, Providence

The Narragansett Electric Company
Environmental Response Fund Provision

J.M. Mills Landfill Site

Quonset Point Site

Great Lakes Container Corporation Superfund Site, Coventry, Kent County, Rhode
Island

Kyan Street, Lowell, MA (Chandonnet Site)

Admiral Street, Providence

Wakefield No. 17 Substation, South Kingstown

Lakewood No. 57 Substation, Warwick

THE NARRAGANSETT ELECTRIC COMPANY
INFRASTRUCTURE, SAFETY, AND RELIABILITY PROVISION

In accordance with the provisions of *An Act Relating to Public Utilities and Carriers – Revenue Decoupling*, the prices for electric distribution service contained in all of the Company’s tariffs are subject to adjustment to reflect the operation of its Electric Infrastructure, Safety, and Reliability (“ISR”) Provision.

I. Infrastructure Investment Mechanism

A. Definitions

“Actual Capital Investment” shall mean the sum of i) “Discretionary Capital Investment” and ii) “Non-Discretionary Capital Investment”, as defined below, plus cost of removal.

“CapEx Factor” shall mean the per-kWh factor for non-demand rate classes designed to recover the Cumulative Revenue Requirement, as allocated by the Rate Base Allocator, based on Forecasted kWh for the Current Year for each non-demand rate class. For demand-based rate classes Rate G-02, and Rates G-32/B-32, the CapEx Factor shall mean the per-kW factor based on Forecasted kWh for the Current Year and historic load factors for each demand-based rate class.

“CapEx Reconciling Factor” shall mean the per-kWh factor designed to recover or refund the over or under billing of the actual Cumulative Revenue Requirement, as allocated by the Rate Base Allocator, for the prior fiscal year, based on Forecasted kWh for the recovery/refund period beginning October 1.

“Cumulative CapEx” shall mean the cumulative Actual Capital Investment for years prior to the Current Year plus Forecasted Capital Investment for the Current Year, recorded since the end of the Company’s rate year in its most recent general rate case and reflecting any difference between Actual Capital Investment and Forecasted Capital Investment for any period during which Forecasted Capital Investment has not been reconciled to Actual Capital Investment, including through the end of the Company’s rate year in its most recent general rate case.

“Cumulative Revenue Requirement” shall mean the return and taxes on year-end cumulative Incremental Rate Base, at a rate equal to the pre-tax weighted average cost of capital as approved by the Commission in the most recent proceeding before the Commission, plus the annual depreciation on Cumulative CapEx as defined above, plus the annual municipal property taxes on Cumulative CapEx, as calculated in the illustration below.

“Current Year” shall mean the fiscal year beginning April 1 of the current year and running through March 31 of the subsequent year during which the proposed CapEx Factor and O&M Factor will be in effect.

“Discretionary Capital Investment” shall mean capital investment, other than ‘Non-Discretionary’ Capital Investment defined below, approved by the Commission as part of the Company’s annual electric ISR Plan and shall be defined as the lesser of a) actual ‘discretionary’

THE NARRAGANSETT ELECTRIC COMPANY
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electric plant in service or b) approved ‘discretionary’ capital spending for Discretionary Capital Investment plus related cost of removal recorded by the Company for a given fiscal year associated with electric distribution infrastructure.

“Forecasted Capital Investment” shall mean the estimated capital investment and cost of removal anticipated to be incurred/recorded by the Company for a given fiscal year associated with electric distribution infrastructure consistent with its capital forecast.

“Forecasted kWh” shall mean the forecasted amount of electricity, as measured in kWh, to be distributed to the Company’s distribution customers for the twelve month period during which the proposed factors, as defined in this ISR Provision, will be in effect.

“Incremental Rate Base” shall mean the Cumulative CapEx adjusted for accumulated depreciation and calculated accumulated deferred taxes on Cumulative CapEx since the end of the Company’s rate year in its most recent general rate case, and reflecting any difference between Actual Capital Investment and Forecasted Capital Investment , including through the end of the Company’s rate year in its most recent general rate case.

“Non-Discretionary Capital Investment” shall mean capital investment related to the Company’s commitment to meet statutory and/or regulatory obligations which amount shall be approved by the Commission as part of the Company’s annual electric ISR Plan and shall be defined as the lesser of a) ‘non-discretionary’ electric plant in service or b) actual ‘non-discretionary’ capital spending for ‘Non-Discretionary’ Capital Investment plus related cost of removal recorded by the Company for a given fiscal year associated with electric distribution infrastructure.

“Rate Base Allocator” shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study.

B. Recovery Mechanism

The CapEx Factors shall recover the Cumulative Revenue Requirement on Cumulative CapEx as approved by the Commission in the Company’s annual Electric ISR Filings. The CapEx Factors shall be applicable for the twelve-month period commencing April 1.

The Company’s electric ISR mechanism shall include an annual CapEx Factor reconciliation which will reconcile actual Cumulative Revenue Requirement to actual billed revenue generated from the CapEx Factors for the applicable Current Year. The recovery or refund of the reconciliation amounts (either positive or negative) shall be reflected in CapEx Reconciling Factors. The Company shall submit a filing by August 1 of each year (“Reconciliation Filing”), in which the Company shall propose the CapEx Reconciling Factors to become effective for the twelve months beginning October 1. The amount approved for recovery or refund through the CapEx Reconciling Factors shall be subject to reconciliation with

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amounts billed through the CapEx Reconciling Factors and any difference reflected in future CapEx Reconciling Factors.

II. Operation and Maintenance Mechanism

A. Definitions

“Actual I&M Expense” shall mean the O&M expense recorded by the Company for a given fiscal year associated with its I&M Program.

“Actual VM Expense” shall mean the O&M expense recorded by the Company for a given fiscal year associated with vegetation management.

“Forecasted I&M Expense” shall mean the O&M expense budgeted by the Company for a given fiscal year associated with its I&M Program.

“Forecasted VM Expense” shall mean the O&M expense budgeted by the Company for a given fiscal year associated with vegetation management.

“I&M Program” shall mean the Company’s Inspection and Maintenance Program and related inspection and maintenance activities.

“O&M” shall mean expenses of the Company recorded in FERC regulatory accounts 580 through 598 pursuant to FERC’s Code of Federal Regulations.

“O&M Allocator” shall mean the percentage of total O&M allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study.

“O&M Factor” shall mean the per-kWh factor for all rate classes, except for Rate B-32, designed to recover the Forecasted I&M Expense and Forecasted VM Expense for the Current Year, as allocated by the O&M Allocator, based on Forecasted kWh for the Current Year for each rate class. For Rate B-32, the O&M Factor shall mean the per-kW factor based on Forecasted kWh for the Current Year and historic load factors for the rate class

“O&M Reconciling Factor” shall mean the uniform per-kWh factor designed to recover or refund the under or over billing of Actual I&M Expense and Actual VM Expense for the prior fiscal year, based on Forecasted kWh for the recovery/refund period beginning October 1.

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B. Recovery Mechanism

The O&M Factor shall recover the sum of the annual Forecasted I&M Expense and Forecasted VM Expense as approved by the Commission in the Company's annual Electric ISR Filings. The O&M Factor shall be applicable for the twelve-month period commencing April 1.

The Company's Electric ISR mechanism shall include an annual O&M Factor reconciliation which will reconcile Actual I&M Expense and Actual VM Expense to actual billed revenue from the O&M Factor for the Current Year. The recovery or refund of the reconciliation amount (either positive or negative) shall be reflected in the O&M Reconciling Factor. In its Reconciliation Filing, the Company shall propose the O&M Reconciling Factor to become effective for the twelve months beginning October 1. The amount approved for recovery or refund through the O&M Reconciling Factor shall be subject to reconciliation with amounts billed through the O&M Reconciling Factor and any difference reflected in a future O&M Reconciling Factor.

III. Annual Electric Infrastructure, Safety, and Maintenance Plan

By January 1 of each year, the Company shall submit to the Commission for review and approval its proposed Electric Infrastructure, Safety, and Reliability Plan ("Electric ISR Plan") for the upcoming Current Year. The Electric ISR Plan shall consist of Forecasted Capital Investment, Forecasted I&M Expense, Forecasted VM Expense, and, if mutually agreed upon by the Division and the Company, the revenue requirement, whether the result of capital investment or O&M expenditures, of any other cost relating to maintaining safe and reliable electric service.

IV. Annual Report on Electric ISR Plan Activities

The Company's August 1 Reconciliation Filing shall include an annual report on the prior fiscal year's activities. In implementing its Electric ISR Plan, the circumstances encountered during the year may require reasonable deviations from the original plans approved by the Commission. In such cases, in the annual report, the Company would include an explanation of any deviations in excess of ten (10) percent above Forecasted Capital Investment, Forecasted I&M Expense, and Forecasted VM Expense. For cost recovery purposes, the Company has the burden to show that any such deviations were due to circumstances out of its reasonable control or, if within its control, were reasonable and prudent.

V. Adjustments to Rates

Modifications to the factors contained in this Electric ISR Provision shall be in accordance with a notice filed with the Commission setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

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National Grid - RI Electric d/b/a National Grid Illustrative ISR Property Tax Recovery Calculation

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Effective tax Rate Calculation								
	RY End	ISR Additions	Non-ISR Add's	Total Add's	Bk Depr (1)	Retirements	COR	End of Yr 1
1 Plant In Service	\$13,584,700	\$55,000	\$2,000	\$57,000		(\$9,400)		\$13,632,300
2								
3 Accumulated Depr	\$611,570				\$45,039	(\$9,400)	(\$7,200)	\$640,009
4								
5 Net Plant	\$12,973,130							\$12,992,291
6								
7 Property Tax Expense	\$29,743							\$31,274
8								
9 Effective Prop tax Rate	0.23%							0.24%
10								
11								
12	Yr 2 Beg	ISR Additions	Non-ISR Add's	Total Add's	Bk Depr (1)	Retirements	COR	End of Yr 2
13								
14 Plant In Service	\$13,632,300	\$60,000	\$2,200	\$62,200		(\$9,500)		\$13,685,000
15								
16 Accumulated Depr	\$640,009				\$45,039	(\$9,500)	(\$7,400)	\$668,148
17								
18 Net Plant	\$12,992,291							\$13,016,852
19								
20 Property Tax Expense	\$31,274							\$32,897
21								
22 Effective Prop tax Rate	0.24%							0.25%
23								
24								
25	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
26 Property Tax Recovery Calculation								
27		ISR YR 1				ISR YR 2		
28								
29 ISR Additions		\$55,000				\$60,000		
30 Rate Year Book Depr		(\$45,039)				(\$45,039)		
31 COR - ISR YR		\$7,200				\$7,400		
32								
33 Net Plant Additions		\$17,161				\$22,361		
34								
35 RY Effective Tax Rate		0.23%				0.23%		
36 Year 1 ISR Property Tax Recovery			\$39				\$51	
37 Year 2 ISR Property Tax Recovery							\$35	
38								
39 ISR Year Effective Tax Rate	0.24%				0.25%			
40 RY Effective Tax Rate	0.23%	0.01%			0.23%	0.02%		
41								
42 RY Net Plant	\$12,973,130				\$12,973,130			
43 ISR Yr 1 Net Adds	\$17,161				\$15,291			
44 ISR Yr 2 Net Adds		\$12,990,291			\$22,361	\$13,010,782		
45			\$1,487				\$3,052	
46								
47 Total ISR Property Tax Recovery			\$1,526				\$3,139	
48								
49 Incremental ISR Property Tax Recovery			\$1,526				\$1,612	

Line Notes

- 1 Col (a) per Rate Year cost of service, Col (b), (cc), (d) and (f) per Actual ISR filing Col (e) equals Base Rate depreciation expense allowance
3 Col (a) per Rate Year cost of service, (e) equals Base Rate depreciation expense allowance Col (h) Col (b), (cc), (d) and (f) per Actual ISR filing
7 Col (a) Base Rate property tax expense allowance
36 Line 33 times Line 35
37 Col (g) equals Line 43, Col (e) Times Rate Year effective Property Tax Rate Line 9 Col (a) - (15,291 X 3.97%)
43 Col (e) equals Line 33, Col (b) less ISR Yr 1 additions, Line 29, Col (b) times composite book depreciation rate of 3.4% - (17,161 - 55,000 X 3.4%)
45 Line 40 times Line 44

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Illustrative ISR Property Tax Recovery Calculation

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Effective tax Rate Calculation</u>	<u>RY End</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of Yr 1</u>
1 Plant In Service	\$13,584,700	\$55,000	\$2,000	\$57,000		(\$9,400)		\$13,632,300
2								
3 Accumulated Depr	\$611,570				\$45,039	(\$9,400)	(\$7,200)	\$640,009
4								
5 Net Plant	\$12,973,130							\$12,992,291
6								
7 Property Tax Expense	\$29,743							\$31,274
8								
9 Effective Prop tax Rate	0.23%							0.24%
10								
11								
12	<u>Yr 2 Beg</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of Yr 2</u>
13								
14 Plant In Service	\$13,632,300	\$60,000	\$2,200	\$62,200		(\$9,500)		\$13,685,000
15								
16 Accumulated Depr	\$640,009				\$45,039	(\$9,500)	(\$7,400)	\$668,148
17								
18 Net Plant	\$12,992,291							\$13,016,852
19								
20 Property Tax Expense	\$31,274							\$32,897
21								
22 Effective Prop tax Rate	0.24%							0.25%
23								
24								
25	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
26 <u>Property Tax Recovery Calculation</u>								
27		<u>ISR YR 1</u>				<u>ISR YR 2</u>		
28								
29 <u>ISR Additions</u>		\$55,000				\$60,000		
30 <u>Rate Year Book Depr</u>		(\$45,039)				(\$45,039)		
31 <u>COR - ISR YR</u>		\$7,200				\$7,400		
32								
33 <u>Net Plant Additions</u>		\$17,161				\$22,361		
34								
35 <u>RY Effective Tax Rate</u>		0.23%				0.23%		
36 <u>Year 1 ISR Property Tax Recovery</u>			\$39				\$51	
37 <u>Year 2 ISR Property Tax Recovery</u>							\$35	
38								
39 <u>ISR Year Effective Tax Rate</u>	0.24%				0.25%			
40 <u>RY Effective Tax Rate</u>	0.23%	0.01%			0.23%	0.02%		
41								
42 <u>RY Net Plant</u>	\$12,973,130				\$12,973,130			
43 <u>ISR Yr 1 Net Adds</u>	\$17,161				\$15,291			
44 <u>ISR Yr 2 Net Adds</u>		\$12,990,291			\$22,361	\$13,010,782		
45			\$1,487				\$3,052	
46								
47 <u>Total ISR Property Tax Recovery</u>			\$1,526				\$3,139	
48								
49 <u>Incremental ISR Property Tax Recovery</u>			\$1,526				\$1,612	

Line Notes

- 1 Col (a) per Rate Year cost of service, Col (b), (cc), (d) and (f) per Actual ISR filing Col (e) equals Base Rate depreciation expense allowance
 3 Col (a) per Rate Year cost of service, (e) equals Base Rate depreciation expense allowance Col (h) Col (b), (cc), (d) and (f) per Actual ISR filing
 7 Col (a) Base Rate property tax expense allowance
 36 Line 33 times Line 35
 37 Col (g) equals Line 43, Col (e) Times Rate Year effective Property Tax Rate Line 9 Col (a) - (15,291 X 3.97%)
 43 Col (e) equals Line 33, Col (b) less ISR Yr 1 additions, Line 29, Col (b) times composite book depreciation rate of 3.4% - (17,161 - 55,000 X 3.4%)
 45 Line 40 times Line 44

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In accordance with the provisions of *An Act Relating to Public Utilities and Carriers – Revenue Decoupling*, the prices for electric distribution service contained in all of the Company’s tariffs are subject to adjustment to reflect the operation of its Electric Infrastructure, Safety, and Reliability (“ISR”) Provision.

I. Infrastructure Investment Mechanism

A. Definitions

“Actual Capital Investment” shall mean the sum of i) “Discretionary Capital Investment” and ii) “Non-Discretionary Capital Investment”, as defined below, plus cost of removal.

“CapEx Factor” shall mean the per-kWh factor for non-demand rate classes designed to recover the Cumulative Revenue Requirement, as allocated by the Rate Base Allocator, based on Forecasted kWh for the Current Year for each non-demand rate class. For demand-based rate classes Rate G-02, and Rates G-32/B-32, the CapEx Factor shall mean the per-kW factor based on Forecasted kWh for the Current Year and historic load factors for each demand-based rate class.

“CapEx Reconciling Factor” shall mean the per-kWh factor designed to recover or refund the over or under billing of the actual Cumulative Revenue Requirement, as allocated by the Rate Base Allocator, for the prior fiscal year, based on Forecasted kWh for the recovery/refund period beginning October 1.

“Cumulative CapEx” shall mean the cumulative Actual Capital Investment for years prior to the Current Year plus Forecasted Capital Investment for the Current Year, recorded since the end of the Company’s rate year in its most recent general rate case and reflecting any difference between Actual Capital Investment and Forecasted Capital Investment for any period during which Forecasted Capital Investment has not been reconciled to Actual Capital Investment, including through the end of the Company’s rate year in its most recent general rate case.

“Cumulative Revenue Requirement” shall mean the return and taxes on year-end cumulative Incremental Rate Base, at a rate equal to the pre-tax weighted average cost of capital as approved by the Commission in the most recent proceeding before the Commission, plus the annual depreciation on Cumulative CapEx as defined above, plus the annual municipal property taxes on Cumulative CapEx, as calculated in the illustration below.

“Current Year” shall mean the fiscal year beginning April 1 of the current year and running through March 31 of the subsequent year during which the proposed CapEx Factor and O&M Factor will be in effect.

“Discretionary Capital Investment” shall mean capital investment, other than ‘Non-Discretionary’ Capital Investment defined below, approved by the Commission as part of the

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Company's annual electric ISR Plan and shall be defined as the lesser of a) actual 'discretionary' electric plant in service or b) approved 'discretionary' capital spending for Discretionary Capital Investment plus related cost of removal recorded by the Company for a given fiscal year associated with electric distribution infrastructure.

"Forecasted Capital Investment" shall mean the estimated capital investment and cost of removal anticipated to be incurred/recorded by the Company for a given fiscal year associated with electric distribution infrastructure consistent with its capital forecast.

"Forecasted kWh" shall mean the forecasted amount of electricity, as measured in kWh, to be distributed to the Company's distribution customers for the twelve month period during which the proposed factors, as defined in this ISR Provision, will be in effect.

"Incremental Rate Base" shall mean the Cumulative CapEx adjusted for accumulated depreciation and calculated accumulated deferred taxes on Cumulative CapEx since the end of the Company's rate year in its most recent general rate case, and reflecting any difference between Actual Capital Investment and Forecasted Capital Investment, including through the end of the Company's rate year in its most recent general rate case.

"Non-Discretionary Capital Investment" shall mean capital investment related to the Company's commitment to meet statutory and/or regulatory obligations which amount shall be approved by the Commission as part of the Company's annual electric ISR Plan and shall be defined as the lesser of a) 'non-discretionary' electric plant in service or b) actual 'non-discretionary' capital spending for 'Non-Discretionary' Capital Investment plus related cost of removal recorded by the Company for a given fiscal year associated with electric distribution infrastructure.

"Rate Base Allocator" shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study.

B. Recovery Mechanism

The CapEx Factors shall recover the Cumulative Revenue Requirement on Cumulative CapEx as approved by the Commission in the Company's annual Electric ISR Filings. The CapEx Factors shall be applicable for the twelve-month period commencing April 1.

The Company's electric ISR mechanism shall include an annual CapEx Factor reconciliation which will reconcile actual Cumulative Revenue Requirement to actual billed revenue generated from the CapEx Factors for the applicable Current Year. The recovery or refund of the reconciliation amounts (either positive or negative) shall be reflected in CapEx Reconciling Factors. The Company shall submit a filing by August 1 of each year ("Reconciliation Filing"), in which the Company shall propose the CapEx Reconciling Factors to become effective for the twelve months beginning October 1. The amount approved for

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recovery or refund through the CapEx Reconciling Factors shall be subject to reconciliation with amounts billed through the CapEx Reconciling Factors and any difference reflected in future CapEx Reconciling Factors.

II. Operation and Maintenance Mechanism

A. Definitions

“Actual I&M Expense” shall mean the O&M expense recorded by the Company for a given fiscal year associated with its I&M Program.

“Actual VM Expense” shall mean the O&M expense recorded by the Company for a given fiscal year associated with vegetation management.

“Forecasted I&M Expense” shall mean the O&M expense budgeted by the Company for a given fiscal year associated with its I&M Program.

“Forecasted VM Expense” shall mean the O&M expense budgeted by the Company for a given fiscal year associated with vegetation management.

“I&M Program” shall mean the Company’s Inspection and Maintenance Program and related inspection and maintenance activities.

“O&M” shall mean expenses of the Company recorded in FERC regulatory accounts 580 through 598 pursuant to FERC’s Code of Federal Regulations.

“O&M Allocator” shall mean the percentage of total O&M allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study.

“O&M Factor” shall mean the per-kWh factor for all rate classes, except for Rate B-32, designed to recover the Forecasted I&M Expense and Forecasted VM Expense for the Current Year, as allocated by the O&M Allocator, based on Forecasted kWh for the Current Year for each rate class. For Rate B-32, the O&M Factor shall mean the per-kW factor based on Forecasted kWh for the Current Year and historic load factors for the rate class

“O&M Reconciling Factor” shall mean the uniform per-kWh factor designed to recover or refund the under or over billing of Actual I&M Expense and Actual VM Expense for the prior fiscal year, based on Forecasted kWh for the recovery/refund period beginning October 1.

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B. Recovery Mechanism

The O&M Factor shall recover the sum of the annual Forecasted I&M Expense and Forecasted VM Expense as approved by the Commission in the Company's annual Electric ISR Filings. The O&M Factor shall be applicable for the twelve-month period commencing April 1.

The Company's Electric ISR mechanism shall include an annual O&M Factor reconciliation which will reconcile Actual I&M Expense and Actual VM Expense to actual billed revenue from the O&M Factor for the Current Year. The recovery or refund of the reconciliation amount (either positive or negative) shall be reflected in the O&M Reconciling Factor. In its Reconciliation Filing, the Company shall propose the O&M Reconciling Factor to become effective for the twelve months beginning October 1. The amount approved for recovery or refund through the O&M Reconciling Factor shall be subject to reconciliation with amounts billed through the O&M Reconciling Factor and any difference reflected in a future O&M Reconciling Factor.

III. Annual Electric Infrastructure, Safety, and Maintenance Plan

By January 1 of each year, the Company shall submit to the Commission for review and approval its proposed Electric Infrastructure, Safety, and Reliability Plan ("Electric ISR Plan") for the upcoming Current Year. The Electric ISR Plan shall consist of Forecasted Capital Investment, Forecasted I&M Expense, Forecasted VM Expense, and, if mutually agreed upon by the Division and the Company, the revenue requirement, whether the result of capital investment or O&M expenditures, of any other cost relating to maintaining safe and reliable electric service.

IV. Annual Report on Electric ISR Plan Activities

The Company's August 1 Reconciliation Filing shall include an annual report on the prior fiscal year's activities. In implementing its Electric ISR Plan, the circumstances encountered during the year may require reasonable deviations from the original plans approved by the Commission. In such cases, in the annual report, the Company would include an explanation of any deviations in excess of ten (10) percent above Forecasted Capital Investment, Forecasted I&M Expense, and Forecasted VM Expense. For cost recovery purposes, the Company has the burden to show that any such deviations were due to circumstances out of its reasonable control or, if within its control, were reasonable and prudent.

V. Adjustments to Rates

Modifications to the factors contained in this Electric ISR Provision shall be in accordance with a notice filed with the Commission setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

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Illustrative ISR Property Tax Recovery Calculation

<u>Line</u>		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Effective tax Rate Calculation	<u>RY End</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of Yr 1</u>
1	Plant In Service	\$13,584,700	\$55,000	\$2,000	\$57,000		(\$9,400)		\$13,632,300
2									
3	Accumulated Depr	\$611,570				\$45,039	(\$9,400)	(\$7,200)	\$640,009
4									
5	Net Plant	\$12,973,130							\$12,992,291
6									
7	Property Tax Expense	\$29,743							\$31,274
8									
9	Effective Prop tax Rate	0.23%							0.24%
10									
11									
12		<u>Yr 2 Beg</u>	<u>ISR Additions</u>	<u>Non-ISR Add's</u>	<u>Total Add's</u>	<u>Bk Depr (1)</u>	<u>Retirements</u>	<u>COR</u>	<u>End of Yr 2</u>
13									
14	Plant In Service	\$13,632,300	\$60,000	\$2,200	\$62,200		(\$9,500)		\$13,685,000
15									
16	Accumulated Depr	\$640,009				\$45,039	(\$9,500)	(\$7,400)	\$668,148
17									
18	Net Plant	\$12,992,291							\$13,016,852
19									
20	Property Tax Expense	\$31,274							\$32,897
21									
22	Effective Prop tax Rate	0.24%							0.25%
23									
24									
25		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
26	Property Tax Recovery Calculation								
27		<u>ISR YR 1</u>				<u>ISR YR 2</u>			
28									
29	ISR Additions		\$55,000				\$60,000		
30	Rate Year Book Depr		(\$45,039)				(\$45,039)		
31	COR - ISR YR		\$7,200				\$7,400		
32									
33	Net Plant Additions		\$17,161				\$22,361		
34									
35	RY Effective Tax Rate		0.23%				0.23%		
36	Year 1 ISR Property Tax Recovery			\$39				\$51	
37	Year 2 ISR Property Tax Recovery							\$35	
38									
39	ISR Year Effective Tax Rate	0.24%				0.25%			
40	RY Effective Tax Rate	0.23%	0.01%			0.23%	0.02%		
41									
42	RY Net Plant	\$12,973,130				\$12,973,130			
43	ISR Yr 1 Net Adds	\$17,161				\$15,291			
44	ISR Yr 2 Net Adds		\$12,990,291			\$22,361	\$13,010,782		
45				\$1,487				\$3,052	
46									
47	Total ISR Property Tax Recovery			\$1,526				\$3,139	
48									
49	Incremental ISR Property Tax Recovery			\$1,526				\$1,612	

Line Notes

- 1 Col (a) per Rate Year cost of service, Col (b), (cc), (d) and (f) per Actual ISR filing Col (e) equals Base Rate depreciation expense allowance
3 Col (a) per Rate Year cost of service, (e) equals Base Rate depreciation expense allowance Col (h) Col (b), (cc), (d) and (f) per Actual ISR filing
7 Col (a) Base Rate property tax expense allowance
36 Line 33 times Line 35
37 Col (g) equals Line 43, Col (e) Times Rate Year effective Property Tax Rate Line 9 Col (a) - (15,291 X 3.97%)
43 Col (e) equals Line 33, Col (b) less ISR Yr 1 additions, Line 29, Col (b) times composite book depreciation rate of 3.4% - (17,161 - 55,000 X 3.4%)
45 Line 40 times Line 44

THE NARRAGANSETT ELECTRIC COMPANY QUALIFYING FACILITIES POWER PURCHASE RATE

I. Applicability

The Company will purchase the electrical output from any qualifying facility as defined under the Public Utility Regulatory Policies Act of 1978 and constructed after November 9, 1978, under the following terms and conditions. Qualifying facilities include the following:

- a. Small power production facilities of 20 megawatts or less which use biomass, waste, renewable resources, or any combination thereof for at least 75 percent of their total energy input in the aggregate during any calendar year period.
- b. Cogeneration facilities of 20 megawatts or less which first generate electricity and then use at least five percent of the total energy output for thermal production, provided that the useful power output of the facility plus one-half the useful thermal energy output must be:
 - 1) no less than 42.5 percent of the total energy input of natural gas and oil to the facility in any calendar year; or
 - 2) if the useful thermal energy output is less than 15 percent of the total energy output of the facility, no less than 45 percent of the total energy input of natural gas and oil to the facility in any calendar year.
- c. Cogeneration facilities of 20 megawatts or less which first provide useful thermal energy and then use reject heat to generate electricity, provided that the useful power output must be no less than 45 percent of the total energy input of natural gas and oil during any calendar year period.

II. Terms and Conditions

1. Any qualifying facility that desires to sell electricity to the Company must provide the Company with sufficient prior written notice. At the time of notification, the qualifying facility shall provide the Company with the following information:
 - a. The name and address of the applicant and location of the qualifying facility.
 - b. A brief description of the qualifying facility, including a statement indicating whether such facility is a small power production facility or a cogeneration facility.
 - c. The primary energy source used or to be used by the qualifying facility.
 - d. The power production capacity of the qualifying facility and the maximum net energy to be delivered to the Company's facilities at any clock hour.
 - e. The owners of the qualifying facility including the percentage of ownership by any electric utility or by any public utility holding company, or by any entity owned by either.
 - f. The expected date of installation and the anticipated on-line date.
 - g. The anticipated method of delivering power to the Company.
 - h. A copy of the qualifying facility's Federal Energy Regulatory Commission certification as a qualifying facility.

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE

Such notice shall be sent to:

Director, Wholesale Electric Supply

Energy Procurement

~~National Grid USA Service Company, Inc.~~ The Narragansett Electric Company

100 East Old Country Rd.

Hicksville, NY 11801

Following such notification, the qualifying facility and the Company shall execute the standard purchase power agreement setting forth the terms of the sale, a form of which is attached in Schedule A, which shall be executed no later than thirty (30) days prior to the desired commencement date of the sale. The actual commencement date of the sale shall be the first day of the calendar month following the acceptance by ISO-New England, Inc. ("ISO-NE") of the registration of the qualifying facility in the ISO-NE settlement system.

1. The qualifying facility shall furnish and install the necessary meter socket and wiring in accordance with the Company's Standards for Connecting Distributed Generation.
2. The qualifying facility shall install equipment approved by the Company which prevents the flow of electricity into the Company's system when the Company's supply is out of service, unless the qualifying facility's generation equipment can be controlled by the Company's supply.
3. The qualifying facility's equipment must be compatible with the character of service supplied by the Company at the qualifying facility's location.
4. The qualifying facility shall be required to install metering pursuant to the requirements contained in the Company's Standards for Connecting Distributed Generation.
5. The qualifying facility shall enter into an interconnection agreement and follow all other procedures outlined in the Company's Standards for Connecting Distributed Generation, as amended and superseded from time to time.
6. The qualifying facility shall reimburse the Company for any equipment and the estimated total cost of construction (excluding costs which are required for system improvements or for sales to the qualifying facility, such as the cost of a standard metering installation, in accordance with the Company's Terms and Conditions) which are necessary to meter purchases under this rate and to interconnect the qualifying facility to the Company's distribution or transmission system in accordance with the Company's Standards for Connecting Distributed Generation. The Company will install, own, and maintain the equipment.
7. The qualifying facility shall save and hold harmless the Company from all claims for damage to the qualifying facility's equipment or injury to any person arising out of the qualifying facility's use of generating equipment in parallel with the Company's system; provided that nothing in this

THE NARRAGANSETT ELECTRIC COMPANY QUALIFYING FACILITIES POWER PURCHASE RATE

paragraph shall relieve the Company from liability for damage or injury caused by its own fault or neglect.

8. As a condition to receiving any payments required by this rate, the qualifying facility must comply with any and all applicable New England Power Pool (“NEPOOL”) and ISO-NE rules, requirements, or information requests that are necessary for the qualifying facilities’ output to be sold into the ISO-NE administered markets (whether the Company or the qualifying facility is actually submitting information to ISO-NE). The Company is not obligated to seek to obtain capacity market payments from ISO-NE for qualifying facilities. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the qualifying facility into the ISO-NE administered markets, the qualifying facility must provide such information to the Company in a timely manner. The Company will not be liable to pay the qualifying facility for the output of the qualifying facility if the Company is unable to sell the output into the ISO-NE administered markets because of a failure of the qualifying facility to provide to the Company, NEPOOL or ISO-NE any information on a timely basis that was required for sale of the facility output into the ISO-NE administered markets. For any perceived errors or omissions in the data reported to NEPOOL or ISO-NE or the transactions from ISO-NE to the Company or qualifying facility, the qualifying facility must notify the Company within 30 days of such error or omission occurring.
9. NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, or sanction is levied by NEPOOL or the ISO-NE as a result of the qualifying facility’s failure to comply with a NEPOOL or ISO-NE rule or information request, the qualifying facility will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty or sanction.

III. Rates for Purchases

Rates for Qualifying Facilities

For qualifying facilities not eligible for net metering under the Company’s Net Metering Provision, RIPUC No. 2207, as amended and superseded from time to time, the Company will pay the following rates:

1. For facilities meeting the definition of renewable energy resources as defined in ~~Rhode Island~~ General Laws, Section 39-26-5, the Company will pay the Last Resort Service rate for the applicable retail delivery rate as determined in Section IV for each kilowatt-hour generated in excess of the facility requirements.
2. For all other qualifying facilities, the Company will pay the hourly clearing prices at the ISO-NE for the hours in which the qualifying facility generated electricity in excess of its requirements. Additionally, the Company shall make payments to a qualifying facility for capacity and/or

THE NARRAGANSETT ELECTRIC COMPANY QUALIFYING FACILITIES POWER PURCHASE RATE

reserves-related products if the sale is recognized by NEPOOL or ISO-NE as a capacity and/or reserves-related product sale. The Company shall pay rates equal to the payments received for the sale of any capacity and/or reserves-related products associated with such qualifying facility output to ISO power exchange.

IV. Rates for Distribution Service to Qualifying Facilities

Retail distribution delivery service by the Company to the qualifying facility shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service which are on file with the [Rhode Island](#) Public Utilities Commission. The selection of the appropriate retail rate will be determined as follows:

1. for qualifying facilities with generating capacity of less than 10kW, the appropriate residential or small general service rate will apply unless the customer's load necessitates use of G-02 or Rate G-32 rate;
2. for qualifying facilities serving non-profit affordable housing, Residential Rate A-16 will apply;
3. for qualifying facilities with generating capacity of at least 10kW but not more than 200 kW, Rate G-02 will apply, unless the customer's load necessitates the use of Rate G-32 rate;
4. for qualifying facilities with generating capacity of at least 200kW, Rate G-32 will apply.

V. Cost Recovery

The Company shall be entitled to recover the difference between the payments made to qualifying facilities for purchases pursuant to Section III. and the actual energy market payments received by ISO-NE for the electricity generated by those qualifying facilities from all customers through a uniform per kilowatt-hour (kWh) surcharge embedded in the distribution component of the rates reflected on customer bills.

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE

Schedule A

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITY POWER PURCHASE AGREEMENT

The Agreement is between _____, a Qualifying Facility ("QF") and The Narragansett Electric Company (the "Company") for energy purchases by the Company from the QF's facility located at _____, Rhode Island.

Agreement to Purchase under the Qualifying Facilities Power Purchase Rate Tariff

Effective as of _____, the Company agrees to purchase electricity from the QF and QF agrees to sell electricity to the Company under the terms and conditions of the Company's Qualifying Facilities Power Purchase Rate Tariff as currently in effect or amended by the Company in the Company's sole discretion. The QF agrees to comply with the terms and conditions of the Qualifying Facilities Power Purchase Rate Tariff, the Company's Standards for Connecting Distributed Generation, as currently in effect or as amended from time to time, and associated policies of the Company that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

Payments for Energy

The Company will pay the QF at the rates in effect at the time of delivery as provided for in the Qualifying Facilities Power Purchase Rate Tariff.

Notice

The Company or QF may terminate this agreement on thirty (30) days written notice which includes a statement of reasons for such termination.

Agreed and Accepted

Date

The Narragansett Electric Company

Date

**THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE**

I. Applicability

The Company will purchase the electrical output from any qualifying facility as defined under the Public Utility Regulatory Policies Act of 1978 and constructed after November 9, 1978, under the following terms and conditions. Qualifying facilities include the following:

- a. Small power production facilities of 20 megawatts or less which use biomass, waste, renewable resources, or any combination thereof for at least 75 percent of their total energy input in the aggregate during any calendar year period.
- b. Cogeneration facilities of 20 megawatts or less which first generate electricity and then use at least five percent of the total energy output for thermal production, provided that the useful power output of the facility plus one-half the useful thermal energy output must be:
 - 1) no less than 42.5 percent of the total energy input of natural gas and oil to the facility in any calendar year; or
 - 2) if the useful thermal energy output is less than 15 percent of the total energy output of the facility, no less than 45 percent of the total energy input of natural gas and oil to the facility in any calendar year.
- c. Cogeneration facilities of 20 megawatts or less which first provide useful thermal energy and then use reject heat to generate electricity, provided that the useful power output must be no less than 45 percent of the total energy input of natural gas and oil during any calendar year period.

II. Terms and Conditions

1. Any qualifying facility that desires to sell electricity to the Company must provide the Company with sufficient prior written notice. At the time of notification, the qualifying facility shall provide the Company with the following information:
 - a. The name and address of the applicant and location of the qualifying facility.
 - b. A brief description of the qualifying facility, including a statement indicating whether such facility is a small power production facility or a cogeneration facility.
 - c. The primary energy source used or to be used by the qualifying facility.
 - d. The power production capacity of the qualifying facility and the maximum net energy to be delivered to the Company's facilities at any clock hour.
 - e. The owners of the qualifying facility including the percentage of ownership by any electric utility or by any public utility holding company, or by any entity owned by either.
 - f. The expected date of installation and the anticipated on-line date.
 - g. The anticipated method of delivering power to the Company.
 - h. A copy of the qualifying facility's Federal Energy Regulatory Commission certification as a qualifying facility.

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE

Such notice shall be sent to:

Director, Wholesale Electric Supply
Energy Procurement
The Narragansett Electric Company
100 East Old Country Rd.
Hicksville, NY 11801

Following such notification, the qualifying facility and the Company shall execute the standard purchase power agreement setting forth the terms of the sale, a form of which is attached in Schedule A, which shall be executed no later than thirty (30) days prior to the desired commencement date of the sale. The actual commencement date of the sale shall be the first day of the calendar month following the acceptance by ISO-New England, Inc. ("ISO-NE") of the registration of the qualifying facility in the ISO-NE settlement system.

1. The qualifying facility shall furnish and install the necessary meter socket and wiring in accordance with the Company's Standards for Connecting Distributed Generation.
2. The qualifying facility shall install equipment approved by the Company which prevents the flow of electricity into the Company's system when the Company's supply is out of service, unless the qualifying facility's generation equipment can be controlled by the Company's supply.
3. The qualifying facility's equipment must be compatible with the character of service supplied by the Company at the qualifying facility's location.
4. The qualifying facility shall be required to install metering pursuant to the requirements contained in the Company's Standards for Connecting Distributed Generation.
5. The qualifying facility shall enter into an interconnection agreement and follow all other procedures outlined in the Company's Standards for Connecting Distributed Generation, as amended and superseded from time to time.
6. The qualifying facility shall reimburse the Company for any equipment and the estimated total cost of construction (excluding costs which are required for system improvements or for sales to the qualifying facility, such as the cost of a standard metering installation, in accordance with the Company's Terms and Conditions) which are necessary to meter purchases under this rate and to interconnect the qualifying facility to the Company's distribution or transmission system in accordance with the Company's Standards for Connecting Distributed Generation. The Company will install, own, and maintain the equipment.
7. The qualifying facility shall save and hold harmless the Company from all claims for damage to the qualifying facility's equipment or injury to any person arising out of the qualifying facility's use of generating equipment in parallel with the Company's system; provided that nothing in this

**THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE**

paragraph shall relieve the Company from liability for damage or injury caused by its own fault or neglect.

8. As a condition to receiving any payments required by this rate, the qualifying facility must comply with any and all applicable New England Power Pool (“NEPOOL”) and ISO-NE rules, requirements, or information requests that are necessary for the qualifying facilities’ output to be sold into the ISO-NE administered markets (whether the Company or the qualifying facility is actually submitting information to ISO-NE). The Company is not obligated to seek to obtain capacity market payments from ISO-NE for qualifying facilities. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the qualifying facility into the ISO-NE administered markets, the qualifying facility must provide such information to the Company in a timely manner. The Company will not be liable to pay the qualifying facility for the output of the qualifying facility if the Company is unable to sell the output into the ISO-NE administered markets because of a failure of the qualifying facility to provide to the Company, NEPOOL or ISO-NE any information on a timely basis that was required for sale of the facility output into the ISO-NE administered markets. For any perceived errors or omissions in the data reported to NEPOOL or ISO-NE or the transactions from ISO-NE to the Company or qualifying facility, the qualifying facility must notify the Company within 30 days of such error or omission occurring.
9. NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, or sanction is levied by NEPOOL or the ISO-NE as a result of the qualifying facility’s failure to comply with a NEPOOL or ISO-NE rule or information request, the qualifying facility will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty or sanction.

III. Rates for Purchases

Rates for Qualifying Facilities

For qualifying facilities not eligible for net metering under the Company’s Net Metering Provision, RIPUC No. 2207, as amended and superseded from time to time, the Company will pay the following rates:

1. For facilities meeting the definition of renewable energy resources as defined in Rhode Island General Laws Section 39-26-5, the Company will pay the Last Resort Service rate for the applicable retail delivery rate as determined in Section IV for each kilowatt-hour generated in excess of the facility requirements.
2. For all other qualifying facilities, the Company will pay the hourly clearing prices at the ISO-NE for the hours in which the qualifying facility generated electricity in excess of its requirements. Additionally, the Company shall make payments to a qualifying facility for capacity and/or

**THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE**

reserves-related products if the sale is recognized by NEPOOL or ISO-NE as a capacity and/or reserves-related product sale. The Company shall pay rates equal to the payments received for the sale of any capacity and/or reserves-related products associated with such qualifying facility output to ISO power exchange.

IV. Rates for Distribution Service to Qualifying Facilities

Retail distribution delivery service by the Company to the qualifying facility shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service which are on file with the Rhode Island Public Utilities Commission. The selection of the appropriate retail rate will be determined as follows:

1. for qualifying facilities with generating capacity of less than 10kW, the appropriate residential or small general service rate will apply unless the customer's load necessitates use of G-02 or Rate G-32 rate;
2. for qualifying facilities serving non-profit affordable housing, Residential Rate A-16 will apply;
3. for qualifying facilities with generating capacity of at least 10kW but not more than 200 kW, Rate G-02 will apply, unless the customer's load necessitates the use of Rate G-32 rate;
4. for qualifying facilities with generating capacity of at least 200kW, Rate G-32 will apply.

V. Cost Recovery

The Company shall be entitled to recover the difference between the payments made to qualifying facilities for purchases pursuant to Section III. and the actual energy market payments received by ISO-NE for the electricity generated by those qualifying facilities from all customers through a uniform per kilowatt-hour (kWh) surcharge embedded in the distribution component of the rates reflected on customer bills.

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITIES POWER PURCHASE RATE

Schedule A

THE NARRAGANSETT ELECTRIC COMPANY
QUALIFYING FACILITY POWER PURCHASE AGREEMENT

The Agreement is between _____, a Qualifying Facility (“QF”) and The Narragansett Electric Company (the “Company”) for energy purchases by the Company from the QF’s facility located at _____, Rhode Island.

Agreement to Purchase under the Qualifying Facilities Power Purchase Rate Tariff

Effective as of _____, the Company agrees to purchase electricity from the QF and QF agrees to sell electricity to the Company under the terms and conditions of the Company’s Qualifying Facilities Power Purchase Rate Tariff as currently in effect or amended by the Company in the Company’s sole discretion. The QF agrees to comply with the terms and conditions of the Qualifying Facilities Power Purchase Rate Tariff, the Company’s Standards for Connecting Distributed Generation, as currently in effect or as amended from time to time, and associated policies of the Company that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

Payments for Energy

The Company will pay the QF at the rates in effect at the time of delivery as provided for in the Qualifying Facilities Power Purchase Rate Tariff.

Notice

The Company or QF may terminate this agreement on thirty (30) days written notice which includes a statement of reasons for such termination.

Agreed and Accepted

Date

The Narragansett Electric Company

Date

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

I. Definitions

“Commission” shall mean the Rhode Island Public Utilities Commission.

“Community Remote Net Metering System” shall mean an Eligible Net Metering System that allocates Net Metering Credits to an Eligible Credit Recipient pursuant to this Tariff. The Community Remote Net Metering System may be owned by either the same entity that is the customer of record on the Net Metered Account or a Third Party.

“Company” shall mean The Narragansett Electric Company ~~d/b/a National Grid~~.

“Eligible Credit Recipient” means one of the following whose electric service account or accounts may receive Net Metering Credits from a Community Remote Net Metering System:

- (a) Residential Credit Recipient means a residential account in good standing.
- (b) Low or Moderate-Income Housing Eligible Credit Recipient means an electric service account or accounts in good standing associated with any housing development or developments owned and operated by a public agency, nonprofit organization, limited equity housing cooperative, or private developer, that receives assistance under any federal, state, or municipal government program to assist the construction or rehabilitation of housing affordable to low or moderate-income households, as defined in the applicable federal or state statute, or local ordinance, encumbered by a deed restriction or other covenant recorded in the land records of the municipality in which the housing is located, that:
 - (1) Restricts occupancy of no less than fifty percent (50%) of the housing to households with a gross annual income that does not exceed eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development (“HUD”);
 - (2) Restricts the monthly rent, including a utility allowance, that may be charged to residents, to an amount that does not exceed thirty percent (30%) of the gross monthly income of a household earning eighty percent (80%) of the area median income, as defined annually by HUD; or
 - (3) Has an original term of not less than thirty (30) years from initial occupancy. Electric service account or accounts in good standing associated with housing developments that are under common ownership or control may be considered a single low or moderate-income housing Eligible Credit Recipient. The value of the credits shall be used to provide benefits to tenants.

THE NARRAGANSETT ELECTRIC COMPANY NET METERING PROVISION

The Net Metering Customer must submit documentation in the form of a letter from Rhode Island Housing certifying that each Low or Moderate-Income Housing Eligible Credit Recipient meets the eligibility criteria specified in this section.

“Educational Institutions” shall mean public and private schools at the primary, secondary and post-secondary levels.

“Eligible Net Metering Resource” shall mean eligible renewable energy resource, as defined in ~~Rhode Island~~ General Laws ~~Section~~§ 39-26-5, including biogas created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels.

“Eligible Net Metering System” shall mean a facility generating electricity using an Eligible Net Metering Resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering System Site measured by the three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site becomes available for use in determining eligibility of the generating system. The Eligible Net Metering System may be owned by the same entity that is the customer of record on the Net Metered Accounts or may be owned by a Third Party that is not the Net Metering Customer or the customer of record on the Net Metered Accounts and which may offer a Third-Party Net Metering Financing Arrangement or Net Metering Financing Arrangement, as applicable. Notwithstanding any other provisions of this Tariff, any Eligible Net Metering Resource: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative, (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative through a Net Metering Financing Arrangement or (iii) that is a Community Remote Net Metering System, shall be treated as an Eligible Net Metering System, and all delivery service accounts designated by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Net Metering Customer for a Community Remote Net Metering System for net metering shall be treated as accounts eligible for net metering within an Eligible Net Metering System Site.

“Eligible Net Metering System Site” shall mean the site where the Eligible Net Metering System is located or is part of the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a farm in which the Eligible Net Metering System is located. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metered System, the purpose of this definition is to reasonably assure that energy generated by the Eligible Net Metering System is consumed by net metered electric delivery service account(s) that are actually located in the same geographical location as the Eligible Net

THE NARRAGANSETT ELECTRIC COMPANY NET METERING PROVISION

Metering System. All energy generated from any Eligible Net Metering System is and will be considered consumed at the meter where the Eligible Net Metering System is interconnected for valuation purposes. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metering System, all of the Net Metered Accounts at the Eligible Net Metering System Site must be the accounts of the same customer of record, and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the Eligible Net Metering System Site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the delivery service accounts at the site to be master metered (as allowed by applicable state law) in the owner's name, or become the customer of record for each of the delivery service accounts, provided that the owner becoming the customer of record actually owns the property at which the delivery service account is located. As long as the Net Metered Accounts meet the requirements set forth in this definition, there is no limit on the number of delivery service accounts that may be net metered within the Eligible Net Metering System Site.

“Excess Renewable Net Metering Credit” shall mean a credit that applies to an Eligible Net Metering System for that portion of the production of electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the Net Metering Customer's own consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts during the applicable billing period. Such Excess Renewable Net Metering Credit shall be equal to the Company's avoided cost rate, defined for this purpose as the Last Resort Service kilowatt-hour (kWh) charge for the rate class and time-of-use billing period, if applicable, that is applicable to the Net Metering Customer for the Eligible Net Metering System. The Commission shall have the authority to make determinations as to the applicability of this credit to specific generation facilities to the extent there is an uncertainty or disagreement.

“Farm” shall be defined in accordance with ~~Rhode Island~~ General Laws ~~Section~~§ 44-27-2, except that all buildings associated with the Farm shall be eligible for Net Metering Credits as long as: (i) the buildings are owned by the same entity operating the Farm or persons associated with operating the Farm; and (ii) the buildings are on the same farmland as the project on either a tract of land contiguous with or reasonably proximate to such farmland or across a public way from such farmland.

“Hospital” shall mean and shall be defined and established as set forth in Chapter 17 of ~~Title~~ 23 of Rhode Island General Laws.

“ISO-NE” shall mean the Independent System Operator New England, Inc. established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

“Multi-Municipal Collaborative” shall mean a group of towns and/or cities that enter into an agreement for the purpose of co-owning a renewable generation facility or entering into a Net Metering Financing Arrangement.

“Municipality” shall mean any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in Title 45 of Rhode Island General Laws.

“NEPOOL” shall mean New England Power Pool.

“Net Metered Accounts” shall mean one or more electric delivery service accounts owned by a single customer of record on the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a Farm in which the Eligible Net Metering System is located, or the electric delivery service account(s) associated with an Eligible Net Metering System that is: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement; or (iii) a Community Remote Net Metering System, provided that the Net Metering Customer has submitted Schedule B (attached) with the individual billing account information for each Net Metered Account. Should there be a change to any of the information contained in Schedule B, the Net Metering Customer is responsible for submitting a revised Schedule B in order for the Company to determine eligibility for the accounts 30 business days prior to making any such change.

“Net Metering” shall mean using electrical energy generated by an Eligible Net Metering System for the purpose of self-supplying electrical energy and power at the Eligible Net Metering System Site or, with respect to a Community Remote Net Metering System or a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative system, for the purpose of generating Net Metering Credits to be applied to the electric bills of the Net Metered Accounts of the Net Metering Customer.

“Net Metering Credits” shall mean the combination of Renewable Net Metering Credits and Excess Renewable Net Metering Credits, if Excess Renewable Net Metering Credits are produced.

“Net Metering Customer” shall mean an electric delivery service customer of record for the Eligible Net Metering System.

“Nonprofit” shall mean a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §501(d).

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

“Person” shall mean an individual, firm, corporation, association, partnership, farm, town or city of the State of Rhode Island, Multi-municipal Collaborative, or the State of Rhode Island or any department of the state government, governmental agency or public instrumentality of the state.

“Project” shall mean a distinct installation of an Eligible Net Metering System. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

“Public Entity” means the federal government, State of Rhode Island, Municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within the State of Rhode Island, including the water supply board of the City of Providence.

“Net Metering Financing Arrangement” shall mean arrangements entered into by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative with a private entity to facilitate the financing and operation of a Net Metering resource, in which the private entity owns and operates an Eligible Net Metering Resource on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative, where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, Educational Institution, Hospital, or one of the Municipalities, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts.

“Renewable Net Metering Credit” shall mean a credit that applies up to one hundred percent (100%) of a Net Metering Customer’s consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts over the applicable billing period. This credit shall be equal to the total kilowatt-hours of electrical energy generated up to the amount consumed on-site by the Net Metering Customer or the Net Metered Accounts during the billing period multiplied by the sum of the:

- (i) Last Resort Service kilowatt-hour charge for the rate class applicable to the Net Metering Customer, not including the Renewable Energy Standard charge;
- (ii) Distribution kilowatt-hour charge;
- (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the Company by December 31, 2018, or if an interconnection study is not required, a completed and paid interconnection application has been received by the Company by December 31, 2018, commencing January 1, 2050, the Renewable

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Net Metering Credit for all remote Public Entity and Multi-Municipal Collaborative Net Metering systems shall not include the distribution kilowatt-hour charge.

“Third Party” means and includes any person or entity other than the Net Metering Customer who owns or operates the Eligible Net Metering System for the benefit of the Net Metering Customer.

“Third Party Net Metering Financing Arrangement” means the financing of Eligible Net Metering Systems through lease arrangements or power/credit purchase agreements between a Third Party and a Net Metering Customer, except for those entities under a Net Metering Financing Arrangement. A Third Party engaged in providing financing arrangements related to such Eligible Net Metering Systems with a public or private entity is not a public utility as defined in ~~Rhode Island General~~ Laws ~~Section~~§ 39-1-2.

II. Terms and Conditions

The following policies regarding Net Metering of electricity from Eligible Net Metering Systems and regarding any Person or entity that is a Net Metering Customer shall apply:

- (1) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.
- (2) Through December 31, 2018, the maximum aggregate amount of Community Remote Net Metering Systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to Community Remote Net Metering Systems until the 30 MW aggregate amount is interconnected. After December 31, 2018, the Commission may expand or modify the aggregate amount after a public hearing upon petition by the OER. The Commission shall determine, within six (6) months of such petition being docketed by the Commission, whether the benefits of the proposed expansion exceed the cost. This 30 MW aggregate amount shall not apply to any Net Metering Financing Arrangement involving Public Entity facilities, Multi-Municipal Collaborative facilities, Educational Institutions, the federal government, Hospitals, or Nonprofits.
 - (i) Net Metering Customers with a Community Remote Net Metering System must obtain an allocation of capacity under the cap set forth in Section II.(2) above. Customers applying for such capacity must provide or show proof of the following: a) a completed Impact Study for Renewable Distributed Generation or a valid fully executed interconnection service agreement; b) site control for the location of the Eligible Net Metering System; and c) a performance deposit as set forth in section (iii) below. If an application meets these requirements, until the capacity limit has been reached, the Community Remote Net Metering System will be provided a cap allocation that will be valid for 24 months from the date of

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issuance, except as provided in sections 2(v) and 2(vi), below. Projects that apply for a capacity allocation after the MW of applications approved has reached the cap will be kept on a waiting list in the order of complete application with the exception of the performance deposit, which will not be required for the waiting list, but must be paid within five business days from time of notification that capacity becomes available for a project. Applicants that fail to pay the performance deposit within this time frame shall lose their spot on the waiting list.

(ii) If a Community Remote Net Metering System with a cap allocation (a) is not commercially operational or (b) has not met the credit allocation requirements under Section II.(7) below on or before the date that is 24 months from the issuance of the cap allocation (“Cap Expiration Date”), the capacity allocation for the Community Remote Net Metering System will be cancelled, and that capacity will be made available to other applicants, except as provided in sections 2(v) and 2(vi), below. Once cancelled, a customer may apply for a cap allocation again with payment of another performance deposit.

(iii) Customers seeking a Community Remote Net Metering System cap allocation under item (i) above will be required to submit a performance deposit equal to \$25.00 multiplied by the expected annual megawatt-hour output of the system, or \$75,000.00, whichever is less. The deposit will be refunded after the Company verifies that the Community Remote Net Metering System has achieved commercial operation and has met the credit allocation requirements under Section II.(7) below. In the event that the Community Remote Net Metering System does not achieve commercial operation or meet the credit allocation requirements prior to the Cap Expiration Date, the deposit will be forfeited and will be refunded to all customers through the Net Metering Surcharge.

(iv) The Company will track the amount of capacity that has been allocated and that remains available under the Community Remote Net Metering System cap, and will post such information on its website, which will be updated on a monthly basis until the cap has been reached. The Company may establish additional procedures and guidelines to implement a system of processing, obtaining, and maintaining net metering cap allocations for Community Remote Net Metering Systems.

(v) The Cap Expiration Date may be extended by six (6) months (to 30 months) with no additional performance deposit. The Cap Expiration Date may be extended for an additional six (6) months beyond that (to 36 months) by posting one-half of the original performance deposit if a Community Remote Net Metering System still does not achieve commercial operation or has not met the credit allocation requirements under Section II.(7) below because of :

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1) Demonstrable lack of action or failure on the part of a governmental agency to issue a required permit or approval in the normal course.- The Customer must provide to the Company evidence that it filed either a preapplication or completed state or municipal permit application for the Community Remote Net Metering System and that such preapplication or permit application was officially accepted by the applicable state agency or municipality as a complete application within the first six (6) months of being awarded capacity by the Company; providing such evidence shall be deemed sufficient for the Company to grant the additional six (6) months (to 36 months) extension to the Customer; or

2) -Project construction related delays associated with weather, materials, or labor, which are in good faith and beyond the control of the Customer, and could not have been prevented or avoided (each, a “Delay Event”).

(vi) If the Cap Expiration Date cannot be met because 1) the Company’s interconnection work is not complete (“Interconnection Delay”), or 2) there is a pending legal challenge or moratorium (collectively, a “Permit Delay”) after the permit process has been started, affecting one or more required governmental permits or approvals that is not resolved by the expiration of the 36-month period set forth in section 2(v) above, and the Interconnection Delay or Permit Delay, as applicable is not attributable to any action or inaction of the Customer, the Cap Expiration Date shall be extended by the period of the Interconnection Delay or Permit Delay, as applicable, with no additional performance deposit required. With respect to a Permit Delay, the Customer must provide evidence of the legal challenge or moratorium to the Company and Office of Energy Resources and a monthly update on the status of the pending legal challenge or moratorium. Failure by the Customer to provide such status updates to the Company and Office of Energy Resources may result in the termination of capacity with the Customer by the Company. -Nothing herein shall be construed to alter or amend any timeframes set forth in the Customer’s interconnection service agreement and/or the Company’s interconnection tariff.

(vii) In the event of a request for an extension due to a Delay Event under section 2(v), above and/or a Permit Delay under section 2(vi), above, the Customer must give the Company, and Office of Energy Resources written notice within thirty (30) days of pending project deadline milestone (i.e., 24, 30, 36 months) and certify to the existence of the Delay Event and/or the Permit Delay prior to the Cap Expiration Date, providing details regarding the nature, extent of, and expected duration of the Delay Event and/or the Permit Delay.

- (3) If the electricity generated by an Eligible Net Metering System during a billing period is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering

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System Site, or the aggregate consumption of the Net Metered Accounts, the Net Metering Customer shall receive Renewable Net Metering Credits, which shall be applied to offset the Net Metering Customer's usage on Net Metered Accounts at the Eligible Net Metering Site, or shall be used to credit the Net Metered Accounts, as applicable.

- (4) Unless the Company and Net Metering Customer have agreed to a billing plan pursuant to Section II(8) of this Tariff, if the electricity generated by an Eligible Net Metering System during a billing period is greater than the Net Metering Customer's usage or the aggregate consumption of the Net Metered Accounts, as applicable, during the billing period, the Net Metering Customer shall be paid Excess Renewable Net Metering Credits for the excess generation up to an additional twenty-five percent (25%) of the Net Metering Customer's consumption or the aggregate consumption of the Net Metered Accounts during the billing period.
- (5) For purposes of administering Sections II(3) and II(4) of this Tariff, on a monthly basis, the Company will apply Renewable Net Metering Credits to the Net Metered Accounts for all kWh generated by the Eligible Net Metering System. On an annual basis, the Company will compare kWh generated by the Eligible Net Metering System during the applicable 12-month period to the on-site consumption of the Net Metering Customer or the aggregate consumption of the Net Metered Accounts, as applicable, or to the three-year average aggregate sum of the on-site consumption of the Net Metered Accounts of a Community Remote Net Metering System. If such consumption is less than the kWh generated by the Eligible Net Metering System during the applicable 12-month period, the Company will apply a billing charge to the Net Metering Customer's account equal to the difference between the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the difference between the kWh generated by the Eligible Net Metering System and the consumption during the same 12-month period. If the kWh generated by the Eligible Net Metering System during the applicable 12-month period exceeds such consumption by more than 25 percent, the Company will apply a billing charge to the Net Metering Customer's account equal to the Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the kWh generated in excess of 125 percent of the consumption.
- (6) All Net Metering Customers shall be required to complete Schedule B. -Renewable Net Metering Credits will be applied to Net Metered Accounts in the manner specified on Schedule B. Changes to Schedule B may be submitted to the Company on a quarterly basis.
- (7) A Community Remote Net Metering System must allocate Net Metering Credits to a minimum of (i) one account for a system associated with Low or Moderate Income Housing Eligible Credit Recipient or (ii) three (3) Eligible Credit Recipient accounts.

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If Net Metering Credits are allocated to three or more Eligible Credit Recipient accounts, the following shall apply to all accounts except for those accounts associated with Low or Moderate-Income Housing Eligible Credit Recipients:

- a. No more than fifty percent (50%) of the Net Metering Credits may be allocated to one Eligible Credit Recipient; and
- b. At least fifty percent (50%) of the Net Metering Credits must be allocated to the remaining Eligible Credit Recipients in an amount allocated to each Recipient that does not exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity.

These requirements must be met before the Company authorizes the project to operate.

The Community Remote Net Metering System may transfer credits to Eligible Credit Recipients in an amount that is equal to or less than the aggregate consumption of the Net Metered Accounts measured by the three-year average annual consumption of energy over the previous three years. ~~A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Accounts becomes available.~~

- (8) For ease of administering Net Metered Accounts and stabilizing Net Metered Account bills, the Company may elect (but is not required) to estimate for any 12-month period (i) the production from the Eligible Net Metering System and (ii) aggregate consumption of the Net Metered Accounts and establish a monthly billing plan that reflects the expected Net Metering Credits that would be applied to the Net Metered Accounts over 12 months. The billing plan would be designed to even out monthly billings over 12 months, regardless of actual production and usage. ~~If the Company makes such an election, the Company would will~~ reconcile payments and credits under the billing plan to actual production and consumption at the end of the 12-month period and apply any credits or charges to the Net Metered Customer Accounts for any positive or negative difference, as applicable. Should there be a material change in circumstances at the Eligible Net Metering System Site or associated Net Metered Accounts during the 12 month period, the Company may adjust the estimate and credits during the reconciliation period. The Company may also ~~(but is not required to)~~ elect to issue checks to any Net Metering Customer in lieu of billing credits or carry forward credits or charges to the next billing period. For residential Eligible Net Metering Systems that are twenty-five kilowatts (25 kW) or smaller, the Company, at its option, may administer Renewable Net Metering Credits month to month allowing unused credits to carry forward into following billing period.
- (9) As a condition to receiving Net Metering Credits pursuant to this Tariff, customers who install Eligible Net Metering Systems must enter into an interconnection agreement and comply with the Company's Standards for Connecting Distributed Generation, as

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amended and superseded from time to time.

- (10) As a condition to receiving any payments pursuant to this provision, Net Metering Customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW must comply with any and all applicable NEPOOL and ISO-NE rules, requirements, or information requests that are necessary for the Eligible Net Metering System's electric energy output to be sold into the ISO-NE administered markets. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the Net Metering Customer who installs an Eligible Net Metering System must provide such information to the Company prior to the project being authorized to operate in parallel with the Company's electric distribution system.
- (11) NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, and/or sanction is levied by NEPOOL or the ISO-NE as a result of the Net Metering Customer's failure to comply with a NEPOOL or ISO-NE rule, requirement, or information request, the Net Metering Customer will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty, and/or sanction.

III. Rates for Distribution Service to Net Metering Customers and Net Metered Accounts

- (1) Retail delivery service by the Company to the Net Metering Customer and Net Metered Accounts shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service that are on file with the Commission.
- (2) The Last Resort Service and retail delivery rates applicable to any Net Metered Account shall be the same as those that apply to the rate classification that would be applicable to such delivery service account in the absence of Net Metering, including customer and demand charges, and no other charges may be imposed to offset Net Metering Credits.
- (3) Net Metering Customers shall be exempt from backup service rates commensurate with the size of the Eligible Net Metering System.

IV. Cost Recovery

- (1) Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with ~~Rhode Island~~ General Laws ~~Section~~ § 39-26.2-3(a) and the annual amount of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts shall be aggregated by the Company and billed to all distribution customers on

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an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge embedded in the distribution component of the rates reflected on customer bills.

- (2) The Company will include the energy market payments received from ISO-NE for the electricity generated by Eligible Net Metering Systems in the Company's annual reconciliation of the Net Metering Charge. - Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and associated payment received against the annual amount of Last Resort Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.

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Schedule B – Additional Information Required for Net Metering Service

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

Customer Name: _____
 Account Number: _____
 Facility Address: _____
 City: _____ State: RI Zip Code: _____

The Agreement is between _____, a Net Metering Customer (“NMC”) and The Narragansett Electric Company (the “Company”) for application of Net Metering Credits earned through Net Metering from the NMC located at _____, Rhode Island.

The NMC agrees to comply with the provisions of the Net Metering Provision, the applicable retail delivery tariffs, and the Terms and Conditions for Distribution Service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

A) NMC Address: _____

Nameplate rating (AC) of the Eligible Net Metering System _____ kW
 Estimated annual generation in kWhs of Eligible Net Metering System _____ kWh

Net Metered Account(s)

The following information must be provided for each individual Net Metered Account in a proposed Eligible Net Metering System Site:

Name: _____ (Except in the case of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or Community Remote Net Metered System, the customer of record must be the same the customer for each Net Metered Account)

Service Address: _____

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~~National Grid~~Electric Delivery Company Account number: _____

Three-year average kWh usage for this account _____

Total three-year average kWh usage for all accounts as associated with an Eligible Net Metering System Site _____

Once this information is received, the Company will determine whether the accounts listed are eligible for net metering.

B) For any Billing Period in which the NMC earns Net Metering Credits, please indicate how the Distribution Company will apply them:

- ☐ Apply all of the Net Metering Credits to the account of the NMC (skip Items C and D below)
- ☐ Allocate all the Net Metering Credits to the accounts of eligible Customers (please fill out C and D below)
- ☐ Both apply a portion of the Net Metering Credits to the NMC's account and allocate a portion to the accounts of eligible Customers (please fill out C and D below)

The Company will notify the NMC within 30 days of the Company's receipt of Schedule B whether it will allocate or purchase Net Metering Credits. If the Company elects to purchase Net Metering Credits, the Company will render payment by issuing a check to the NMC each Billing Period, unless otherwise agreed in writing by the NMC and Company. If the Company elects to allocate Net Metering Credits, the NMC must complete Item C and submit the revised Schedule B to the Company.

C) Please state the total percentage of Net Metering Credits to be allocated.

~~% Amount~~% Amount of the Net Metering Credit being allocated.

The total amount of Net Metering Credits being allocated shall not exceed 100%. Any remaining percentage will be applied to the NMC's account.

Please identify each eligible Customer account to which the NMC is allocating Net Metering Credits by providing the following information (attach additional pages as needed):

NOTE: If a designated Customer account closes, the allocated percentage will revert to the NMC's account, unless otherwise mutually agreed in writing by the NMC and the Company.

Name:

Billing Address:

Account number:

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Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

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Billing Address:

Account number:

Amount of the Net Metering Credit: _____ %

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____ %

D) The terms of this Schedule B shall remain in effect unless and until the NMC executes a revised Schedule B and submits it to the Company. A revised Schedule B may be updated quarterly during a calendar year.

E) A signature on the application shall constitute certification that (1) the NMC has read the application and knows its contents; (2) the contents are true as stated, to the best knowledge and belief of the NMC; and (3) the NMC possesses full power and authority to sign the application.

Notice

Execution of this agreement will cancel any previous agreement for the Net Metered Accounts for the Eligible Net Metering System under the Net Metering Provision.

The Company or NMC may terminate this agreement on thirty (30) days written notice, which includes a statement of reasons for such termination. In addition, the NMC must re-file this agreement annually.

Agreed and Accepted – Please sign

[NAME OF NMC]

Date: _____

By: _____

Name:

Title:

The Narragansett Electric Company

Date: _____

~~d/b/a National Grid~~

By: _____

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Name:

Title:

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I. Definitions

“Commission” shall mean the Rhode Island Public Utilities Commission.

“Community Remote Net Metering System” shall mean an Eligible Net Metering System that allocates Net Metering Credits to an Eligible Credit Recipient pursuant to this Tariff. The Community Remote Net Metering System may be owned by either the same entity that is the customer of record on the Net Metered Account or a Third Party.

“Company” shall mean The Narragansett Electric Company.

“Eligible Credit Recipient” means one of the following whose electric service account or accounts may receive Net Metering Credits from a Community Remote Net Metering System:

- (a) Residential Credit Recipient means a residential account in good standing.
- (b) Low or Moderate-Income Housing Eligible Credit Recipient means an electric service account or accounts in good standing associated with any housing development or developments owned and operated by a public agency, nonprofit organization, limited equity housing cooperative, or private developer, that receives assistance under any federal, state, or municipal government program to assist the construction or rehabilitation of housing affordable to low or moderate-income households, as defined in the applicable federal or state statute, or local ordinance, encumbered by a deed restriction or other covenant recorded in the land records of the municipality in which the housing is located, that:
 - (1) Restricts occupancy of no less than fifty percent (50%) of the housing to households with a gross annual income that does not exceed eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development (“HUD”);
 - (2) Restricts the monthly rent, including a utility allowance, that may be charged to residents, to an amount that does not exceed thirty percent (30%) of the gross monthly income of a household earning eighty percent (80%) of the area median income, as defined annually by HUD; or
 - (3) Has an original term of not less than thirty (30) years from initial occupancy. Electric service account or accounts in good standing associated with housing developments that are under common ownership or control may be considered a single low or moderate-income housing Eligible Credit Recipient. The value of the credits shall be used to provide benefits to tenants.

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The Net Metering Customer must submit documentation in the form of a letter from Rhode Island Housing certifying that each Low or Moderate-Income Housing Eligible Credit Recipient meets the eligibility criteria specified in this section.

“Educational Institutions” shall mean public and private schools at the primary, secondary and post-secondary levels.

“Eligible Net Metering Resource” shall mean eligible renewable energy resource, as defined in Rhode Island General Laws Section 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.

“Eligible Net Metering System” shall mean a facility generating electricity using an Eligible Net Metering Resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering System Site measured by the three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site becomes available for use in determining eligibility of the generating system. The Eligible Net Metering System may be owned by the same entity that is the customer of record on the Net Metered Accounts or may be owned by a Third Party that is not the Net Metering Customer or the customer of record on the Net Metered Accounts and which may offer a Third-Party Net Metering Financing Arrangement or Net Metering Financing Arrangement, as applicable. Notwithstanding any other provisions of this Tariff, any Eligible Net Metering Resource: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative, (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative through a Net Metering Financing Arrangement or (iii) that is a Community Remote Net Metering System, shall be treated as an Eligible Net Metering System, and all delivery service accounts designated by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Net Metering Customer for a Community Remote Net Metering System for net metering shall be treated as accounts eligible for net metering within an Eligible Net Metering System Site.

“Eligible Net Metering System Site” shall mean the site where the Eligible Net Metering System is located or is part of the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a farm in which the Eligible Net Metering System is located. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metered System, the purpose of this definition is to reasonably assure that energy generated by the Eligible Net Metering System is consumed by net metered electric delivery service account(s) that are actually located in the same geographical location as the Eligible Net

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Metering System. All energy generated from any Eligible Net Metering System is and will be considered consumed at the meter where the Eligible Net Metering System is interconnected for valuation purposes. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metering System, all of the Net Metered Accounts at the Eligible Net Metering System Site must be the accounts of the same customer of record, and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the Eligible Net Metering System Site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the delivery service accounts at the site to be master metered (as allowed by applicable state law) in the owner's name, or become the customer of record for each of the delivery service accounts, provided that the owner becoming the customer of record actually owns the property at which the delivery service account is located. As long as the Net Metered Accounts meet the requirements set forth in this definition, there is no limit on the number of delivery service accounts that may be net metered within the Eligible Net Metering System Site.

“Excess Renewable Net Metering Credit” shall mean a credit that applies to an Eligible Net Metering System for that portion of the production of electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the Net Metering Customer's own consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts during the applicable billing period. Such Excess Renewable Net Metering Credit shall be equal to the Company's avoided cost rate, defined for this purpose as the Last Resort Service kilowatt-hour (kWh) charge for the rate class and time-of-use billing period, if applicable, that is applicable to the Net Metering Customer for the Eligible Net Metering System. The Commission shall have the authority to make determinations as to the applicability of this credit to specific generation facilities to the extent there is an uncertainty or disagreement.

“Farm” shall be defined in accordance with Rhode Island General Laws Section 44-27-2, except that all buildings associated with the Farm shall be eligible for Net Metering Credits as long as: (i) the buildings are owned by the same entity operating the Farm or persons associated with operating the Farm; and (ii) the buildings are on the same farmland as the project on either a tract of land contiguous with or reasonably proximate to such farmland or across a public way from such farmland.

“Hospital” shall mean and shall be defined and established as set forth in Chapter 17 of Title 23 of Rhode Island General Laws.

“ISO-NE” shall mean the Independent System Operator New England, Inc. established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

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“Multi-Municipal Collaborative” shall mean a group of towns and/or cities that enter into an agreement for the purpose of co-owning a renewable generation facility or entering into a Net Metering Financing Arrangement.

“Municipality” shall mean any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in Title 45 of Rhode Island General Laws.

“NEPOOL” shall mean New England Power Pool.

“Net Metered Accounts” shall mean one or more electric delivery service accounts owned by a single customer of record on the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a Farm in which the Eligible Net Metering System is located, or the electric delivery service account(s) associated with an Eligible Net Metering System that is: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement; or (iii) a Community Remote Net Metering System, provided that the Net Metering Customer has submitted Schedule B (attached) with the individual billing account information for each Net Metered Account. Should there be a change to any of the information contained in Schedule B, the Net Metering Customer is responsible for submitting a revised Schedule B in order for the Company to determine eligibility for the accounts 30 business days prior to making any such change.

“Net Metering” shall mean using electrical energy generated by an Eligible Net Metering System for the purpose of self-supplying electrical energy and power at the Eligible Net Metering System Site or, with respect to a Community Remote Net Metering System or a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative system, for the purpose of generating Net Metering Credits to be applied to the electric bills of the Net Metered Accounts of the Net Metering Customer.

“Net Metering Credits” shall mean the combination of Renewable Net Metering Credits and Excess Renewable Net Metering Credits, if Excess Renewable Net Metering Credits are produced.

“Net Metering Customer” shall mean an electric delivery service customer of record for the Eligible Net Metering System.

“Nonprofit” shall mean a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §501(d).

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“Person” shall mean an individual, firm, corporation, association, partnership, farm, town or city of the State of Rhode Island, Multi-municipal Collaborative, or the State of Rhode Island or any department of the state government, governmental agency or public instrumentality of the state.

“Project” shall mean a distinct installation of an Eligible Net Metering System. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

“Public Entity” means the federal government, State of Rhode Island, Municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within the State of Rhode Island, including the water supply board of the City of Providence.

“Net Metering Financing Arrangement” shall mean arrangements entered into by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative with a private entity to facilitate the financing and operation of a Net Metering resource, in which the private entity owns and operates an Eligible Net Metering Resource on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative, where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, Educational Institution, Hospital, or one of the Municipalities, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts.

“Renewable Net Metering Credit” shall mean a credit that applies up to one hundred percent (100%) of a Net Metering Customer’s consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts over the applicable billing period. This credit shall be equal to the total kilowatt-hours of electrical energy generated up to the amount consumed on-site by the Net Metering Customer or the Net Metered Accounts during the billing period multiplied by the sum of the:

- (i) Last Resort Service kilowatt-hour charge for the rate class applicable to the Net Metering Customer, not including the Renewable Energy Standard charge;
- (ii) Distribution kilowatt-hour charge;
- (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the Company by December 31, 2018, or if an interconnection study is not required, a completed and paid interconnection application has been received by the Company by December 31, 2018, commencing January 1, 2050, the Renewable

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Net Metering Credit for all remote Public Entity and Multi-Municipal Collaborative Net Metering systems shall not include the distribution kilowatt-hour charge.

“Third Party” means and includes any person or entity other than the Net Metering Customer who owns or operates the Eligible Net Metering System for the benefit of the Net Metering Customer.

“Third Party Net Metering Financing Arrangement” means the financing of Eligible Net Metering Systems through lease arrangements or power/credit purchase agreements between a Third Party and a Net Metering Customer, except for those entities under a Net Metering Financing Arrangement. A Third Party engaged in providing financing arrangements related to such Eligible Net Metering Systems with a public or private entity is not a public utility as defined in Rhode Island General Laws Section 39-1-2.

II. Terms and Conditions

The following policies regarding Net Metering of electricity from Eligible Net Metering Systems and regarding any Person or entity that is a Net Metering Customer shall apply:

- (1) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.
- (2) Through December 31, 2018, the maximum aggregate amount of Community Remote Net Metering Systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to Community Remote Net Metering Systems until the 30 MW aggregate amount is interconnected. After December 31, 2018, the Commission may expand or modify the aggregate amount after a public hearing upon petition by the OER. The Commission shall determine, within six (6) months of such petition being docketed by the Commission, whether the benefits of the proposed expansion exceed the cost. This 30 MW aggregate amount shall not apply to any Net Metering Financing Arrangement involving Public Entity facilities, Multi-Municipal Collaborative facilities, Educational Institutions, the federal government, Hospitals, or Nonprofits.
 - (i) Net Metering Customers with a Community Remote Net Metering System must obtain an allocation of capacity under the cap set forth in Section II.(2) above. Customers applying for such capacity must provide or show proof of the following: a) a completed Impact Study for Renewable Distributed Generation or a valid fully executed interconnection service agreement; b) site control for the location of the Eligible Net Metering System; and c) a performance deposit as set forth in section (iii) below. If an application meets these requirements, until the capacity limit has been reached, the Community Remote Net Metering System will be provided a cap allocation that will be valid for 24 months from the date of

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issuance, except as provided in sections 2(v) and 2(vi), below. Projects that apply for a capacity allocation after the MW of applications approved has reached the cap will be kept on a waiting list in the order of complete application with the exception of the performance deposit, which will not be required for the waiting list, but must be paid within five business days from time of notification that capacity becomes available for a project. Applicants that fail to pay the performance deposit within this time frame shall lose their spot on the waiting list.

(ii) If a Community Remote Net Metering System with a cap allocation (a) is not commercially operational or (b) has not met the credit allocation requirements under Section II.(7) below on or before the date that is 24 months from the issuance of the cap allocation (“Cap Expiration Date”), the capacity allocation for the Community Remote Net Metering System will be cancelled, and that capacity will be made available to other applicants, except as provided in sections 2(v) and 2(vi), below. Once cancelled, a customer may apply for a cap allocation again with payment of another performance deposit.

(iii) Customers seeking a Community Remote Net Metering System cap allocation under item (i) above will be required to submit a performance deposit equal to \$25.00 multiplied by the expected annual megawatt-hour output of the system, or \$75,000.00, whichever is less. The deposit will be refunded after the Company verifies that the Community Remote Net Metering System has achieved commercial operation and has met the credit allocation requirements under Section II.(7) below. In the event that the Community Remote Net Metering System does not achieve commercial operation or meet the credit allocation requirements prior to the Cap Expiration Date, the deposit will be forfeited and will be refunded to all customers through the Net Metering Surcharge.

(iv) The Company will track the amount of capacity that has been allocated and that remains available under the Community Remote Net Metering System cap, and will post such information on its website, which will be updated on a monthly basis until the cap has been reached. The Company may establish additional procedures and guidelines to implement a system of processing, obtaining, and maintaining net metering cap allocations for Community Remote Net Metering Systems.

(v) The Cap Expiration Date may be extended by six (6) months (to 30 months) with no additional performance deposit. The Cap Expiration Date may be extended for an additional six (6) months beyond that (to 36 months) by posting one-half of the original performance deposit if a Community Remote Net Metering System still does not achieve commercial operation or has not met the credit allocation requirements under Section II.(7) below because of :

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1) Demonstrable lack of action or failure on the part of a governmental agency to issue a required permit or approval in the normal course. The Customer must provide to the Company evidence that it filed either a preapplication or completed state or municipal permit application for the Community Remote Net Metering System and that such preapplication or permit application was officially accepted by the applicable state agency or municipality as a complete application within the first six (6) months of being awarded capacity by the Company; providing such evidence shall be deemed sufficient for the Company to grant the additional six (6) months (to 36 months) extension to the Customer; or

2) Project construction related delays associated with weather, materials, or labor, which are in good faith and beyond the control of the Customer, and could not have been prevented or avoided (each, a “Delay Event”).

(vi) If the Cap Expiration Date cannot be met because 1) the Company’s interconnection work is not complete (“Interconnection Delay”), or 2) there is a pending legal challenge or moratorium (collectively, a “Permit Delay”) after the permit process has been started, affecting one or more required governmental permits or approvals that is not resolved by the expiration of the 36-month period set forth in section 2(v) above, and the Interconnection Delay or Permit Delay, as applicable is not attributable to any action or inaction of the Customer, the Cap Expiration Date shall be extended by the period of the Interconnection Delay or Permit Delay, as applicable, with no additional performance deposit required. With respect to a Permit Delay, the Customer must provide evidence of the legal challenge or moratorium to the Company and Office of Energy Resources and a monthly update on the status of the pending legal challenge or moratorium. Failure by the Customer to provide such status updates to the Company and Office of Energy Resources may result in the termination of capacity with the Customer by the Company. Nothing herein shall be construed to alter or amend any timeframes set forth in the Customer’s interconnection service agreement and/or the Company’s interconnection tariff.

(vii) In the event of a request for an extension due to a Delay Event under section 2(v), above and/or a Permit Delay under section 2(vi), above, the Customer must give the Company, and Office of Energy Resources written notice within thirty (30) days of pending project deadline milestone (i.e., 24, 30, 36 months) and certify to the existence of the Delay Event and/or the Permit Delay prior to the Cap Expiration Date, providing details regarding the nature, extent of, and expected duration of the Delay Event and/or the Permit Delay.

- (3) If the electricity generated by an Eligible Net Metering System during a billing period is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering

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System Site, or the aggregate consumption of the Net Metered Accounts, the Net Metering Customer shall receive Renewable Net Metering Credits, which shall be applied to offset the Net Metering Customer's usage on Net Metered Accounts at the Eligible Net Metering Site, or shall be used to credit the Net Metered Accounts, as applicable.

- (4) Unless the Company and Net Metering Customer have agreed to a billing plan pursuant to Section II(8) of this Tariff, if the electricity generated by an Eligible Net Metering System during a billing period is greater than the Net Metering Customer's usage or the aggregate consumption of the Net Metered Accounts, as applicable, during the billing period, the Net Metering Customer shall be paid Excess Renewable Net Metering Credits for the excess generation up to an additional twenty-five percent (25%) of the Net Metering Customer's consumption or the aggregate consumption of the Net Metered Accounts during the billing period.
- (5) For purposes of administering Sections II(3) and II(4) of this Tariff, on a monthly basis, the Company will apply Renewable Net Metering Credits to the Net Metered Accounts for all kWh generated by the Eligible Net Metering System. On an annual basis, the Company will compare kWh generated by the Eligible Net Metering System during the applicable 12-month period to the on-site consumption of the Net Metering Customer or the aggregate consumption of the Net Metered Accounts, as applicable, or to the three-year average aggregate sum of the on-site consumption of the Net Metered Accounts of a Community Remote Net Metering System. If such consumption is less than the kWh generated by the Eligible Net Metering System during the applicable 12-month period, the Company will apply a billing charge to the Net Metering Customer's account equal to the difference between the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the difference between the kWh generated by the Eligible Net Metering System and the consumption during the same 12-month period. If the kWh generated by the Eligible Net Metering System during the applicable 12-month period exceeds such consumption by more than 25 percent, the Company will apply a billing charge to the Net Metering Customer's account equal to the Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the kWh generated in excess of 125 percent of the consumption.
- (6) All Net Metering Customers shall be required to complete Schedule B. Renewable Net Metering Credits will be applied to Net Metered Accounts in the manner specified on Schedule B. Changes to Schedule B may be submitted to the Company on a quarterly basis.
- (7) A Community Remote Net Metering System must allocate Net Metering Credits to a minimum of (i) one account for a system associated with Low or Moderate Income Housing Eligible Credit Recipient or (ii) three (3) Eligible Credit Recipient accounts.

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If Net Metering Credits are allocated to three or more Eligible Credit Recipient accounts, the following shall apply to all accounts except for those accounts associated with Low or Moderate-Income Housing Eligible Credit Recipients:

- a. No more than fifty percent (50%) of the Net Metering Credits may be allocated to one Eligible Credit Recipient; and
- b. At least fifty percent (50%) of the Net Metering Credits must be allocated to the remaining Eligible Credit Recipients in an amount allocated to each Recipient that does not exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity.

These requirements must be met before the Company authorizes the project to operate.

The Community Remote Net Metering System may transfer credits to Eligible Credit Recipients in an amount that is equal to or less than the aggregate consumption of the Net Metered Accounts measured by the three-year average annual consumption of energy over the previous three years. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Accounts becomes available.

- (8) For ease of administering Net Metered Accounts and stabilizing Net Metered Account bills, the Company may elect (but is not required) to estimate for any 12-month period (i) the production from the Eligible Net Metering System and (ii) aggregate consumption of the Net Metered Accounts and establish a monthly billing plan that reflects the expected Net Metering Credits that would be applied to the Net Metered Accounts over 12 months. The billing plan would be designed to even out monthly billings over 12 months, regardless of actual production and usage. If the Company makes such an election, the Company will reconcile payments and credits under the billing plan to actual production and consumption at the end of the 12-month period and apply any credits or charges to the Net Metered Customer Accounts for any positive or negative difference, as applicable. Should there be a material change in circumstances at the Eligible Net Metering System Site or associated Net Metered Accounts during the 12 month period, the Company may adjust the estimate and credits during the reconciliation period. The Company may also (but is not required to) elect to issue checks to any Net Metering Customer in lieu of billing credits or carry forward credits or charges to the next billing period. For residential Eligible Net Metering Systems that are twenty-five kilowatts (25 kW) or smaller, the Company, at its option, may administer Renewable Net Metering Credits month to month allowing unused credits to carry forward into following billing period.
- (9) As a condition to receiving Net Metering Credits pursuant to this Tariff, customers who install Eligible Net Metering Systems must enter into an interconnection agreement and comply with the Company's Standards for Connecting Distributed Generation, as

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amended and superseded from time to time.

- (10) As a condition to receiving any payments pursuant to this provision, Net Metering Customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW must comply with any and all applicable NEPOOL and ISO-NE rules, requirements, or information requests that are necessary for the Eligible Net Metering System's electric energy output to be sold into the ISO-NE administered markets. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the Net Metering Customer who installs an Eligible Net Metering System must provide such information to the Company prior to the project being authorized to operate in parallel with the Company's electric distribution system.
- (11) NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, and/or sanction is levied by NEPOOL or the ISO-NE as a result of the Net Metering Customer's failure to comply with a NEPOOL or ISO-NE rule, requirement, or information request, the Net Metering Customer will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty, and/or sanction.

III. Rates for Distribution Service to Net Metering Customers and Net Metered Accounts

- (1) Retail delivery service by the Company to the Net Metering Customer and Net Metered Accounts shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service that are on file with the Commission.
- (2) The Last Resort Service and retail delivery rates applicable to any Net Metered Account shall be the same as those that apply to the rate classification that would be applicable to such delivery service account in the absence of Net Metering, including customer and demand charges, and no other charges may be imposed to offset Net Metering Credits.
- (3) Net Metering Customers shall be exempt from backup service rates commensurate with the size of the Eligible Net Metering System.

IV. Cost Recovery

- (1) Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with Rhode Island General Laws Section 39-26.2-3(a) and the annual amount of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts shall be aggregated by the Company and billed to all distribution customers on

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an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge embedded in the distribution component of the rates reflected on customer bills.

- (2) The Company will include the energy market payments received from ISO-NE for the electricity generated by Eligible Net Metering Systems in the Company's annual reconciliation of the Net Metering Charge. Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and associated payment received against the annual amount of Last Resort Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.

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Schedule B – Additional Information Required for Net Metering Service

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

Customer Name: _____
 Account Number: _____
 Facility Address: _____
 City: _____ State: RI Zip Code: _____

The Agreement is between _____, a Net Metering Customer (“NMC”) and The Narragansett Electric Company (the “Company”) for application of Net Metering Credits earned through Net Metering from the NMC located at _____, Rhode Island.

The NMC agrees to comply with the provisions of the Net Metering Provision, the applicable retail delivery tariffs, and the Terms and Conditions for Distribution Service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

A) NMC Address: _____

Nameplate rating (AC) of the Eligible Net Metering System _____ kW
 Estimated annual generation in kWhs of Eligible Net Metering System _____ kWh

Net Metered Account(s)

The following information must be provided for each individual Net Metered Account in a proposed Eligible Net Metering System Site:

Name: _____ (Except in the case of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or Community Remote Net Metered System, the customer of record must be the same the customer for each Net Metered Account)

Service Address: _____

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Electric Delivery Company Account number: _____

Three-year average kWh usage for this account _____

Total three-year average kWh usage for all accounts as associated with an Eligible Net Metering System Site _____

Once this information is received, the Company will determine whether the accounts listed are eligible for net metering.

B) For any Billing Period in which the NMC earns Net Metering Credits, please indicate how the Distribution Company will apply them:

- ☐ Apply all of the Net Metering Credits to the account of the NMC (skip Items C and D below)
- ☐ Allocate all the Net Metering Credits to the accounts of eligible Customers (please fill out C and D below)
- ☐ Both apply a portion of the Net Metering Credits to the NMC's account and allocate a portion to the accounts of eligible Customers (please fill out C and D below)

The Company will notify the NMC within 30 days of the Company's receipt of Schedule B whether it will allocate or purchase Net Metering Credits. If the Company elects to purchase Net Metering Credits, the Company will render payment by issuing a check to the NMC each Billing Period, unless otherwise agreed in writing by the NMC and Company. If the Company elects to allocate Net Metering Credits, the NMC must complete Item C and submit the revised Schedule B to the Company.

C) Please state the total percentage of Net Metering Credits to be allocated.

% Amount of the Net Metering Credit being allocated.

The total amount of Net Metering Credits being allocated shall not exceed 100%. Any remaining percentage will be applied to the NMC's account.

Please identify each eligible Customer account to which the NMC is allocating Net Metering Credits by providing the following information (attach additional pages as needed):

NOTE: If a designated Customer account closes, the allocated percentage will revert to the NMC's account, unless otherwise mutually agreed in writing by the NMC and the Company.

Name:

Billing Address:

Account number:

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Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

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Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

D) The terms of this Schedule B shall remain in effect unless and until the NMC executes a revised Schedule B and submits it to the Company. A revised Schedule B may be updated quarterly during a calendar year.

E) A signature on the application shall constitute certification that (1) the NMC has read the application and knows its contents; (2) the contents are true as stated, to the best knowledge and belief of the NMC; and (3) the NMC possesses full power and authority to sign the application.

Notice

Execution of this agreement will cancel any previous agreement for the Net Metered Accounts for the Eligible Net Metering System under the Net Metering Provision.

The Company or NMC may terminate this agreement on thirty (30) days written notice, which includes a statement of reasons for such termination. In addition, the NMC must re-file this agreement annually.

Agreed and Accepted – Please sign

[NAME OF NMC]

Date: _____

By: _____

Name:

Title:

The Narragansett Electric Company

Date: _____

By: _____

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

Name:

Title:

The Narragansett Electric Company
Standards for Connecting Distributed Generation

R.I.P.U.C. No. 22442258
Canceling R.I.P.U.C. No. 2244180

The Narragansett Electric Company
Standards for Connecting Distributed Generation**TABLE OF CONTENTS**

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1.0 Introduction

1.1 Applicability

- I. This document (“Interconnection Tariff”) describes the process and requirements for an Interconnecting Customer to connect a power-generating facility to the Company’s electric distribution system, referred to as the Electric Distribution System (“Company EDS”)¹, including discussion of technical and operating requirements, metering and billing options, and other matters. Projects greater than 1 MW will likely require some level of review by the Company’s transmission provider, New England Power Company (“NEP”), in accordance with all applicable ISO-NE tariffs, rules and procedures.
- II. The procedure for momentary paralleling to the Company EDS with back-up generation is described within Section 4.0 Interconnection Requirements.
- III. If the Facility will always be isolated from the Company’s EDS; (i.e., it will never operate in parallel to the Company’s EDS), then this Interconnection Tariff does not apply.
- IV. References in this Interconnection Tariff to the term “Interconnecting Customer,” as such term is defined herein, shall be deemed to include “Renewable Interconnecting Customer,” as such term is defined herein, except where otherwise explicitly stated in this Interconnection Tariff.

1.2 Definitions

The following words and terms shall be understood to have the following meanings when used in this Interconnection Tariff:

Affected System: Any transmission or distribution electric power system, other than the Company EDS, for which the stability, reliability or operating characteristics may be significantly affected by the proposed Facility. Affected System includes the transmission system in Rhode Island that is owned by the Narragansett Electric Company but operated on its behalf by the New England Power Company (“NEP”).

Affected System Operator (“ASO”): A person or entity operating an Affected System.

Affected System Owner: A person or entity owning an Affected System.

Affected System Operator Study (“ASO Study”): An engineering study conducted by or with the oversight of an Affected System Operator and/or an Affected System Owner for the purposes of determining whether a Facility may have a significant effect on the stability, reliability or operating characteristics of the Affected System and, if necessary, to determine the scope of the required modifications to the Affected System and/or the Facility to provide the requested interconnection service.

¹ “Company EDS” refers to the distribution assets owned and operated by the Company, consistent with the Institute of Electrical and Electronics Engineers (IEEE) Standard for Interconnecting Distributed Resources with Electric Power System 1547-2003.

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Affiliate: A person or entity controlling, controlled by or under common control with a Party.

Anti-Islanding: Describes the ability of a Facility to avoid unintentional islanding through some form of active control technique.

Application: The notice provided by the Interconnecting Customer to the Company in the form shown in Exhibits A and C, which initiates the interconnection process.

Area EDS: The Company EDS. This term is used in the Institute of Electrical and Electronics Engineers (“IEEE”) Standard 1547-2003, “IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems” (“IEEE Standard 1547-2003”).

Commission: Rhode Island Public Utilities Commission.

Company: The Narragansett Electric Company ~~d/b/a National Grid.~~

Company EDS: The electric distribution power system owned, controlled or operated by the Company used to provide distribution service to its Customers.

Customer: Company’s retail customer; host site or premises, may be the same as Interconnecting Customer or Renewable Interconnecting Customer.

Detailed Study: The final phase of engineering study, if necessary, conducted by the Company to determine substantial System Modifications to its EDS, resulting in project cost estimates for such modifications that will be required to provide the requested interconnection service.

DG: Distributed Generation.

DR: The Facility. This term is used in IEEE Standard 1547-2003.

Energy Storage System (“ESS”): A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time. For purposes of this Interconnection Tariff, an Energy Storage System can be considered part of a Facility in whole.

Expedited Process: As described in Section 3.2, process steps for Listed Facilities from initial application to final written authorization, using a set of technical screens to determine grid impact.

Export Capacity: The maximum Nameplate Rating of a Facility in alternating current (“AC”), except where such capacity is limited by an acceptable means as identified in Section 4.3 of this Interconnection Tariff, or as permitted by the Company.

Facility: The sum of all equipment that is owned and/or operated by the Interconnecting Customer and located on the Customer’s side of the PCC, that is used to generate, store, monitor, and control electric power, which the Interconnecting Customer requests to interconnect to the Company EDS.

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Feasibility Study: A high-level project assessment that includes an estimate of the cost of interconnecting a Renewable Distributed Generation Resource to the distribution system that would be assessed on the applicant for an interconnection. Such estimate is not based on any engineering study, but is based on past experience and judgment of the Company, taking into account the information in the application, the location of the interconnection, and general knowledge of the distribution and transmission system. Such estimate cannot be relied upon ~~the~~ by ~~the~~ applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith. The feasibility study estimate shall be a range within which the Company believes the interconnection costs are likely to be and shall include a disclaimer that explains the nature of the estimate.

FERC: Federal Energy Regulatory Commission.

Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Impact Study: The engineering study conducted by the Company under the Standard Process to determine the scope of the required modifications to its EDS and/or the Facility to provide the requested interconnection service. Unless otherwise noted in the Impact Study, the cost estimate provided will be valid for 120 business days from delivery of the study.

Impact Study for Renewable DG (“ISR DG”): An engineering study conducted by the Company that includes an estimate of the cost of interconnecting a Renewable Distributed Generation Resource to the distribution system that would be assessed on the applicant for an interconnection that is based on an engineering study of the details of the proposed generation project. Such estimate generally will have a probability of accuracy of plus or minus twenty-five percent (25%). Such an estimate may be relied upon by the applicant for purposes of determining the expected cost of interconnection, but the Company may not be held liable or responsible if the actual costs exceed the estimate as long as the estimate was provided in good faith and the interconnection was implemented prudently by the Company.

Inadvertent Export: shall mean the unscheduled or unintended export of power from a Facility, exceeding a specified magnitude and for a limited duration. Inadvertent Export does not include fault current exported by the Facility due to a fault on the Company EDS.

Initial Review: A high level review of standard application where the Company will provide pertinent information that includes existing peak loading on the lines in the Facility’s general vicinity, configuration of distribution lines, and if any additional study is required.

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In-Service Date: The date on which the Facility and System Modifications (if applicable) are complete and ready for service, even if the Facility is not placed in service on or by that date.

Interconnecting Customer: Entity that owns and/or operates the Facility interconnected to the Company EDS, with legal authority to enter into agreements regarding the construction or operation of the Facility.²

Interconnection Service Agreement (“ISA”): An agreement for interconnection service, the form of which is provided in Exhibit I, between the Interconnecting Customer and the Company. The agreement also includes any amendments or supplements thereto entered into by the Interconnecting Customer and the Company.

Interconnection Technical Standards Committee (“ITSC”): A group of representatives from the utility, distributed generation providers and other stakeholder groups, who have experience in the technical aspects of interconnection, that meets regularly to discuss and make recommendations related to the technical standards for DG interconnection. See Section 9.4 for details.

Islanding: A situation where electrical power remains in a portion of an electrical power system when the Company’s transmission or distribution system has ceased providing power for whatever reason (emergency conditions, maintenance, etc.). Islanding may be intentional, such as when certain segregated loads in a Customer’s premises are provided power by a Facility after being isolated from the Company EDS after a power failure.

Unintentional Islanding, especially past the PCC, is to be strictly avoided.

ISO-New England, Inc. (“ISO-NE”): The Independent System Operator established in accordance with the NEPOOL Agreement and applicable FERC approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

Isolated: The state of operating the Facility when electrically disconnected from the Company EDS on the Interconnecting Customer’s side of the PCC.

Limited Export: The exporting capability of the Facility that is maintained to be less than the Nameplate Rating.

Local EDS: The customer premises within which are contained the Facility. This term is used in the IEEE Standard 1547-2003.

Listed: A Facility that has successfully passed all pertinent tests to conform with IEEE 1547.1.

² An entity which owns the Facility interconnected to the Company EDS solely as part of a financing arrangement, which could include the acquisition of the tax credits related to the Facility, but is neither the Customer nor the operator of that Facility, shall not be considered the Interconnecting Customer hereunder.

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Metering Point: For meters that do not use instrument transformers, the point at which the billing meter is connected. For meters that use instrument transformers, the point at which the instrument transformers are connected.

Nameplate Rating: The individual or sum total maximum continuous power output (AC) capacity of all of a Facility's constituent generating units and/or Energy Storage Systems as identified on the manufacturer nameplate, regardless of whether it is limited by any approved means.

NEPOOL: New England Power Pool.

Net Metering: Customers of the Company who, pursuant to the provisions of the Company's Net Metering Provision, R.I.P.U.C. No. 2075, as amended and superseded from time to time, are eligible to receive Renewable Generation Credits and Excess Renewable Generation Credits, as applicable, as defined in R.I.P.U.C. No. 2075, Section II.

Network Distribution System (Area or Spot): Electrical service from an EDS consisting of one or more primary circuits from one or more substations or transmission supply points arranged such that they collectively feed secondary circuits serving one (a spot network) or more (an area network) Interconnecting Customers.

Non-Islanding: Describes the ability of a Facility to avoid unintentional islanding through the operation of its interconnection equipment.

NPCC: Northeast Power Coordinating Council.

NRTL: Nationally Recognized Testing Laboratory.

On-Site Generating Facility: A class of Interconnecting Customer-owned generating Facilities with peak capacity as specified in R.I.P.U.C. No. 2074, Qualifying Facilities Power Purchase Rate.

Parallel: The state of operating the Facility when electrically connected to the Company EDS (sometimes known as grid-parallel).

Parties: The Company and the Interconnecting Customer.

Pre-Impact Study Review: A high-level engineering review for larger projects (any single project or multiple projects submitted concurrently by the same applicant in the same area with an aggregate nameplate capacity >1 MW) conducted by the Company prior to an Impact Study or ISRDG under the Standard Process to determine the scope of the required modifications to its EDS and/or the Facility to provide the requested interconnection service. A Pre-Impact Study Review is not required.

Point of Common Coupling ("PCC"): The point where the Interconnecting Customer's local

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electric power system connects to the Company EDS, such as the electric power revenue meter or premises service transformer. See the Company for the location at a particular Interconnecting Customer site.

Point of Delivery: A point on the Company EDS where the Interconnecting Customer makes capacity and energy available to the Company. The Point of Delivery shall be specified in the Interconnection Service Agreement.

Point of Receipt: A point on the Company EDS where the Company delivers capacity and energy to the Interconnecting Customer. The Point of Receipt shall be specified in the Interconnection Service Agreement.

Pre-application Report: Shall mean, as described in Section 3.2, a non-binding report of certain information specific to a proposed Facility interconnection location provided to the Interconnecting Customer by the Company prior to the Application.

Protective Function: The equipment, hardware and/or software in a Facility (whether discrete or integrated with other functions) whose purpose is to protect against conditions that, if left uncorrected, could result in harm to personnel, damage to equipment, loss of safety or reliability, or operation outside pre-established parameters required by the Interconnection Service Agreement.

Qualifying Facility: A generation Facility that has received certification as a Qualifying Facility from the FERC in accordance with the Federal Power Act, as amended by the Public Utility Regulatory Policies Act of 1978.

Radial Distribution Circuit: Electrical service from an EDS consisting of one primary circuit extending from a single substation or transmission supply point arranged such that the primary circuit serves Interconnecting Customers in a particular local area.

Renewable Distributed Generation Resource: A Facility which is a renewable distributed generation project that, as contemplated, meets the eligibility requirements for net metering contained within Rhode Island General Laws~~R.I.G.L.~~ Title 39 or the eligibility requirements for a standard contract contained within Rhode Island General Laws~~R.I.G.L.~~ Title 39.

Renewable Energy Resource: Those resources set forth in Rhode Island General Laws~~Section~~~~R.I.G.L.~~ §39-26-5.

Renewable Interconnecting Customer: Entity that owns and/or operates the Renewable Distributed Generation Resource interconnected to the Company EDS, with legal authority to enter into agreements regarding the construction or operation of the Facility. The term “Renewable Interconnecting Customer” as used in the Interconnection Tariff shall be deemed to be synonymous with the term “interconnecting renewable energy customer” as used in Rhode Island~~General~~ Laws Section §39-26.3-4.1.

Screen(s): Criteria by which the Company will determine if a proposed Facility’s installation

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will adversely impact the Company EDS in the Simplified and Expedited Processes as set forth in Section 3.0.

Simplified Process: As described in Section 3.1, process steps from initial application to final written authorization for certain inverter-based Facilities of limited scale and minimal apparent grid impact.

Standard Process: As described in Section 3.3, process steps from initial application to final written authorization for Facilities that do not qualify for Simplified or Expedited treatment.

Supplemental Review: Additional engineering study to evaluate the potential impact of the Facility on the Company EDS so as to determine any requirements for processing the application through the Expedited Process.

System Improvement: Economically justified upgrades determined by the Company in the Facility study phase for capital investments associated with improving the capacity or reliability of the EDS that may be used along with System Modifications to serve an Interconnection Customer.

System Modification: Modifications or additions to Company facilities that are integrated with the Company EDS for the benefit of the Interconnecting Customer.

Unintentional Islanding: A situation where the electrical power from the Facility continues to supply a portion of the Company EDS past the PCC when the Company's transmission or distribution system has ceased providing power for whatever reason (emergency conditions, maintenance, etc.).

Witness Test: The Company's right to witness the commissioning testing. Commissioning testing is defined in IEEE Standard 1547-2003.

1.3 Forms and Agreements

The following documents for the interconnection process are included as Exhibits:

1. Interconnection Service Agreement for Expedited and Standard Process (Exhibit I) referencing Attachments 1–6 (Attachments 1–5 to be developed by the Company and included as appropriate for each specific Interconnection Service Agreement) as follows:

- | | |
|---------------|--|
| Attachment 1: | Definitions (Section 1.2) |
| Attachment 2: | Description of Facilities, including demarcation of PCC |
| Attachment 3: | Description of System Modifications |
| Attachment 4: | Costs of System Modifications and Payment Terms |
| Attachment 5: | Special Operating Requirements, if any |
| Attachment 6: | Agreement between the Company and the Company's Retail Customer or Property Owner (to be signed by the Company's retail customer or property owner where DG installation and interconnection will be |

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placed, when retail customer or property owner is not the owner and/or operator of the distributed generation facility -- Exhibit J)

2. Application forms:
 - a. Simplified Process (Facilities meeting the requirements of Section 3.1) application form and service agreement (Exhibit A)
 - b. Generating Facility Expedited/Standard Pre-Application Report form (Exhibit B)
 - c. Expedited and Standard Process application form (Exhibit C)
3. Supplemental Review Agreement for those projects which have failed one or more screens in the Expedited Process (Exhibit D)
4. Feasibility Study Agreement (Exhibit E)
5. Pre-Impact Study Review Agreement (Exhibit F)
6. Impact Study Agreement or ISRDG Agreement under the Standard Process (Exhibit G)
7. Detailed Study Agreement for the more detailed study under the Standard Process which requires substantial System Modifications (Exhibit H)

2.0 Basic Understandings

Customer intends to install a Facility on the Customer's side of the PCC that will be connected electrically to the Company EDS and operate in parallel, synchronized with the voltage and frequency maintained by the Company during all operating conditions. It is the responsibility of the Interconnecting Customer to design, procure, install, operate, and maintain all necessary equipment on its property for connection to the Company EDS. The Customer and the Company shall enter into an Interconnection Service Agreement to provide for parallel operation of a Customer's Facility with Company EDS. A form of this agreement is attached as Exhibit I to this Interconnection Tariff. The Interconnection Service Agreement includes details regarding ownership of the proposed Facility. Except as provided herein, the Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company's written consent. Any assignment Interconnecting Customer purports to make without Company's written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, the Company's consent will not be required for any assignment made by Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events except a completed Transfer of Ownership approved by the Company, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption. The Interconnecting Customer must sign a consent agreement to complete the assignment to a new system owner and execute Exhibit I when the Interconnecting Customer is still going to be the retail delivery customer or property owner.

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If the Interconnecting Customer or Renewable Interconnecting Customer is not the Customer, an Agreement between the Company and the Company's Customer must be signed and included as an attachment to the Interconnection Service Agreement; a form of this agreement is attached as Exhibit J.

The interconnection of the Facility with the Company EDS must be reviewed for potential impact on the Company EDS under the process described in Section 3.0 and meet the technical requirements in Section 4.0, and must be operated as described under Section 6.0. In order to meet these requirements, an upgrade or other modifications to the Company EDS may be necessary. Subject to the requirements contained in this Interconnection Tariff, the Company or its Affiliate shall modify the Company EDS accordingly. Unless otherwise specified, the Company will build and own, as part of the Company EDS, all facilities necessary to interconnect the Company EDS with the Facility up to and including terminations at the PCC. The Interconnecting Customer shall pay all System Modification costs as set forth in Section 5.0.

A Renewable Interconnecting Customer has the initial option of having the Company do a Feasibility Study prior to continuing on to an ISR DG.

The Interconnecting Customer should consult the Company before designing, purchasing and installing any generation equipment, in order to verify the nominal utilization voltages, frequency, and phase characteristics of the service to be supplied, the capacity available, and the suitability of the proposed equipment for operation at the intended location. Any proposed Facility 250 kW and above must request and receive a Pre-Application Report prior to submitting an Application.

Attempting to operate a generator at other than its nameplate characteristics may result in unsatisfactory performance or, in certain instances, injury to personnel and/or damage to equipment. The Interconnecting Customer will be responsible for ascertaining from the Company, and the Company will diligently cooperate in providing, the service characteristics of the Company EDS at the proposed PCC. The Company will in no way be responsible for damages sustained as a result of the Interconnecting Customer's failure to ascertain the service characteristics at the proposed PCC.

The crossing of a public way by the Interconnecting Customer with any equipment not owned by the Company is prohibited due to public safety reasons. ~~However, the~~ Company, ~~however,~~ will work with local jurisdictions and/or any Interconnecting Customer(s) seeking to connect their proposed Facility to end users in a microgrid and other solutions.

The Facility should operate in such a manner that does not compromise or conflict with, the safety or reliability of the Company EDS. The Interconnecting Customer should design its equipment in such a manner that faults or other disturbances on the Company EDS do not cause damage to the Interconnecting Customer's equipment.

Authorization to interconnect will be provided once the Interconnecting Customer has met all terms of the interconnection process as outlined below.

This Interconnection Tariff does not cover general distribution service needed to serve the Interconnecting Customer. Please refer to the Company's Terms and Conditions for Distribution

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Service.

3.0 Process Overview

There are four basic paths for interconnection of the Interconnecting Customer's Facility in Rhode Island. They are described below and detailed in Figures 1 and 2 with their accompanying notes. Tables 1 and 2, respectively, describe the timelines and fees for these paths. Unless otherwise noted, the Total Maximum Days from the completed Application through the delivery of an executable ISA set forth in Table 1 of the Interconnection Tariff represents the aggregate processing time allowed for the Company to review an Application for completeness, complete studies (where necessary) and send an executable Interconnection Service Agreement, and may be extended by mutual agreement or otherwise affected, suspended, extended, or interrupted as specified in this Tariff.

Unless otherwise noted, for Renewable Interconnecting Customer Applications received on or after July 1, 2017, the Total Maximum Days for System Modifications set forth in Table 1 of the Interconnection Tariff represents the aggregate time allowed, commencing on the date of Company's receipt of a Renewable Interconnecting Customer's executed ISA, for the Company to complete the System Modifications, and may be extended by mutual agreement or otherwise affected, suspended, extended, or interrupted as specified in this Tariff.

1. **Simplified** – This is for Listed inverter-based Facilities with a power rating of 25 kW or less, and located on radial EDSs under certain conditions.
2. **Expedited** – This is for Listed Facilities that pass certain pre-specified screens on a radial EDS.
3. **Standard** – This is for all facilities not qualifying for either the Simplified or Expedited interconnection processes on radial and spot network EDSs, and for all Facilities on area network EDSs.
4. **Renewable Interconnecting Customer** – This process is for Customers who are requesting either a Feasibility Study or an ISRDG for renewable Facilities. For these requests, the processes above will be followed except where outlined in the descriptions below, any references to Interconnecting Customer should be construed to be Renewable Interconnecting Customer for this purpose.

All proposed new sources of electric power without respect to Facility ownership, dispatch control, or prime mover that plan to operate in parallel with the Company EDS must submit a completed application and pay the appropriate Application Fee to the Company with which it wishes to interconnect. For those projects where a Renewable Interconnecting Customer requests either a Feasibility or an ISRDG study, the Renewable Interconnecting Customer will pay the Feasibility Study fee in lieu of the Application Fee. The application will be acknowledged by the Company, and the Interconnecting Customer will be notified of the application's completeness, and if not complete, the Company will advise the Interconnecting Customer of what is missing in accordance with the timelines set forth in Table 1. Interconnecting Customers who are not likely to qualify for Simplified or Expedited Process may opt to go directly into the Standard Process path and may, if eligible, request that the Company perform a Pre-Impact Study Review. Interconnecting Customers proposing to

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interconnect on area networks will also go directly to the Standard Process. All other Interconnecting Customers must proceed through a series of screens to determine their ultimate interconnection path. (Interconnecting Customers not sure whether a particular location is on a radial circuit, spot network, or area network should check with the Company serving the proposed Facility location prior to filing and the Company will verify the circuit type upon filing.)

The proposed interconnection of any new Renewable Energy Resource that replaces the same existing Renewable Energy Resource of the same or less nameplate capacity that has been in operation in the twelve (12) months preceding notification of such replacement shall be subject to a sixty (60) day review. The purpose of such sixty (60) day review is to allow the Company to determine whether any System Modifications are required to support the interconnection of the replacement Renewable Energy Resource. If there is a need for System Modifications because of an interconnection policy change implemented by the Company, then the System Modification may be included in rates as determined by the Commission. If there is a need for System Modifications only because of a change in the rating or utility disturbance response that adversely affects the impact of the Facility on the distribution system, then the Renewable Interconnecting Customer shall be responsible for the cost of the System Modifications.

The Company will conduct accepted project conferences with all non-residential customers that have been accepted into the Renewable Energy Growth Program.

3.1 Simplified Process

Interconnecting Customers using Listed inverter-based Facilities with an ability to export power of 25 kW or less at locations receiving secondary service from a transformer configuration that matches the phase of the Facility equipment, requesting an interconnection on radial EDSs, and passing the eligibility criteria and screens outlined in Figure 1. Applications that would otherwise qualify as Simplified but are on a spot or area network will now proceed in the Expedited Process (See Figure 2 for details).

The Simplified Process is as follows:

- a. Application process:
 - i. Interconnecting Customer submits a Simplified Process application filled out properly and completely (Exhibit A).
 - ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.

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A Renewable Interconnecting Customer may request a Feasibility Study. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study.

- b. The Company verifies Facility equipment passes screens in Figure 1 if a radial EDS, or the screens in Figure 2 if a network EDS. If a Facility fails the System Design Screen in Figure 1, the Company will identify the concerns with the proposed Facility design, and the Interconnecting Customer is required to revise the proposed Facility design and associated application materials to resolve the concerns in order to remain in the Simplified process. If a Facility fails the Service Type & Configuration Screen in Figure 1 while passing all other screens, the Facility will not be automatically evaluated under the Expedited Process. Instead, the Company shall have an additional 30 Business Days to review an application where the Facility has failed the Service Type & Configuration Screen in Figure 1. In this additional review, the Company will identify any minor System Modifications that may be required and their associated cost estimate to resolve the concerns prior to issuing a conditional approval for the Facility to proceed in the Simplified process.
- c. If approved, without minor System Modifications, the Company signs the application approval line and sends it to the Interconnecting Customer. If the Company requires the Interconnecting Customer to pay for minor System Modifications, a description of work and an estimate will be sent to the Interconnecting Customer for approval prior to the Company signing the application approval line. The Interconnecting Customer would then approve via a signature and payment for the minor System Modifications. Interconnecting Customers in the Simplified Process with minor System Modifications shall have 20 Business Days from the date the cost estimate is issued to pay 100% of the estimated cost for the System Modifications. Once payment has been made, the Company will sign the application approval line and send the executed document to the Interconnecting Customer.
- d. Upon receipt of signed application, the Interconnecting Customer installs the Facility. Then the Interconnecting Customer arranges for inspection of the completed installation by the local electrical wiring inspector, or other authority having jurisdiction, and this person signs the Certificate of Completion. If the Facility was installed by an electrical contractor, this person also fills out the Certificate of Completion.
- e. The Interconnecting Customer returns Certificate of Completion to the Company (refer to Attachment 2 of the Simplified Process Application for the Certificate of Completion).
- f. Following receipt of the Certificate of Completion, the Company may inspect the Facility for compliance with standards by arranging for a Witness Test. The Interconnecting Customer has no right to operate in parallel until a Witness Test has been performed or has been previously waived on the Application Form. The Company is obligated to complete this Witness Test within 10 business days of the receipt of the Certificate of Completion. If the Company does not inspect in 10 business days or by mutual agreement of the Parties, the Witness Test is deemed waived. Regardless of whether or not the Company performs a Witness Test, the

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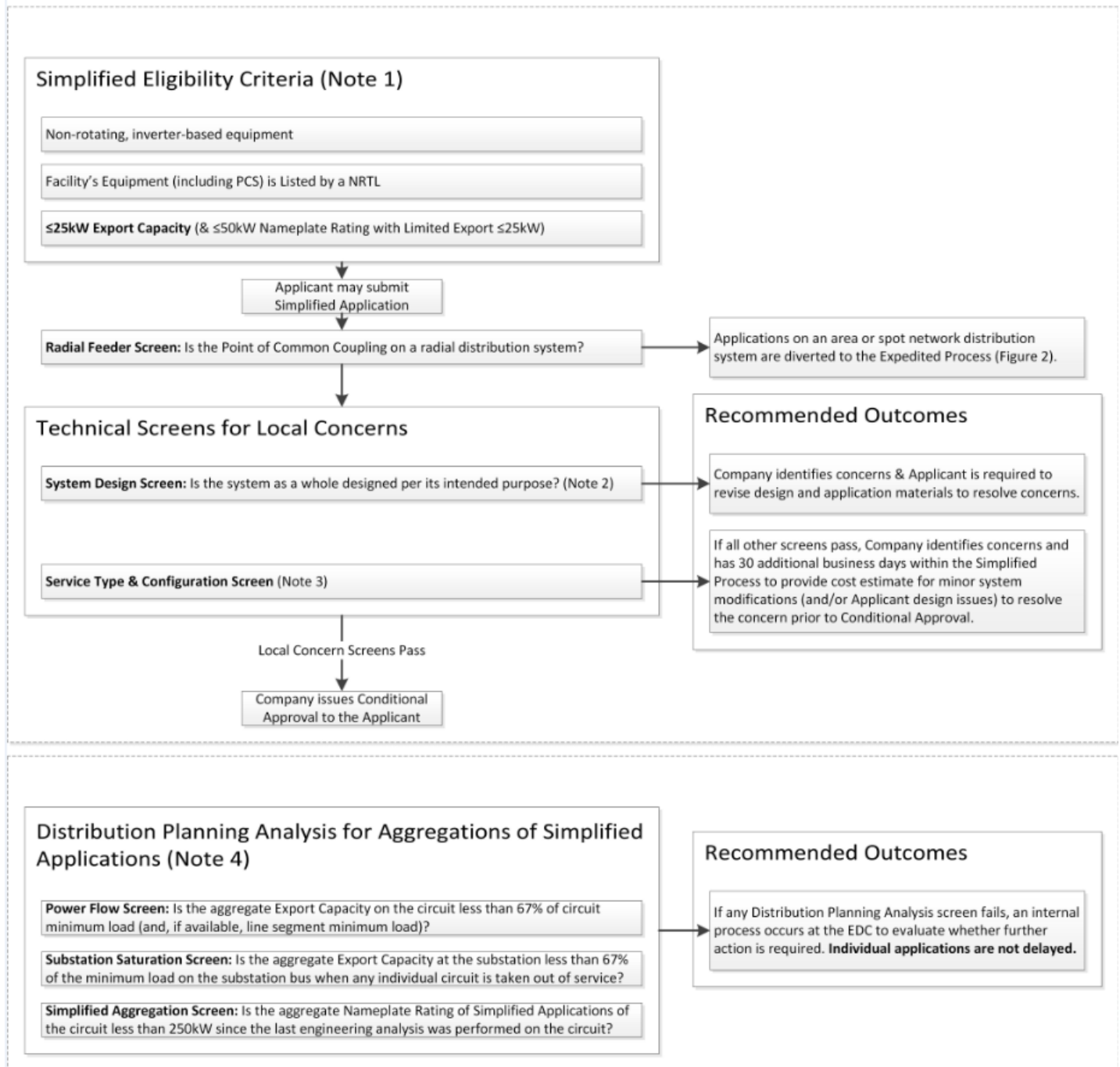
Interconnecting Customer shall not operate their Facility until all required System Modifications are constructed by the Company.

- g. Assuming the wiring inspection and/or Witness Test is satisfactory (~~and~~ the Company has completed any required System Modifications), the Company notifies the Interconnecting Customer in writing that interconnection is authorized. If the Witness Test is not satisfactory, the Company has the right to disconnect the Facility, and will provide information to the Interconnecting Customer describing clearly what is required for approval.
- h. The Interconnecting Customer has no right to operate in parallel until they have received the Authorization to Interconnect.

If the Interconnecting Customer does not substantially complete construction within 12 months after receiving approval from the Company, the Company will require the Interconnecting Customer to reapply for interconnection.

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Figure 1: Simplified Eligibility and Screening Process



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- I. For the purposes of determining eligibility to submit an application in the Simplified interconnection process, all Facility equipment that will operate in Parallel with the Company EDS must meet the following criteria: (a) all generating and ESS equipment must be non-rotating and inverter-based, (b) all inverters and/or components intended to limit the Export Capacity of the system must be certified as Listed by a NRTL, and (c) the aggregate Export Capacity of the equipment on the site must be less than or equal to 25kW.
- II. Where a mechanism is proposed to limit Export Capacity below the Nameplate Rating of the aggregate generating and ESS equipment in order to comply with the Export Capacity thresholds defined above, the aggregate Nameplate Rating of all generating and ESS equipment that will operate in Parallel with the Company EDS may not exceed 50kW. If the aggregate Nameplate Rating exceeds 50kW (regardless of the Export Capacity), the application is not eligible to be submitted in the Simplified interconnection process. Additionally, while the mechanism to limit Export Capacity may monitor the real-time load on the site to ensure compliance with the Export Capacity eligibility criteria, under no circumstances may the mechanism to limit Export Capacity be contingent upon an assumed minimum load on the site (i.e. when the site load is zero, the Facility as a whole must remain in compliance with the eligibility criteria). While an Interconnecting Customer may propose any mechanism to limit Export Capacity that is permitted in Section 4.3 of the Interconnection Tariff, Facilities that rely on a Power Control System (PCS) may be subject to testing standards other than IEEE Standard 1547. Under such circumstances the PCS shall be tested by a NRTL to the specific standard publication relevant to such devices. Interconnecting Customers who can demonstrate Facility compliance with such a standard, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company.
- III. Facilities with inverter-based equipment will be considered Listed upon demonstrating that such equipment has successfully passed all pertinent tests performed by a NRTL to conform with the latest version of IEEE Standard 1547. IEEE Standard 1547 includes design specifications, operational requirements, and a list of tests that are required for Facilities. IEEE Standard 1547.1 describes how to conduct tests to show compliance with provisions of IEEE Standard 1547. To meet the eligibility criteria to submit an application in the Simplified interconnection process, Interconnecting Customers must provide information or documentation that demonstrates how the Facility is in compliance with the IEEE Standard 1547.1. A Facility will be deemed to be in compliance with the IEEE Standard 1547.1 if the Company previously determined it was in compliance. Interconnecting Customers who can demonstrate Facility compliance with IEEE Standard 1547.1, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company. Subject to the Facility passing the System Design Screen, generating and ESS equipment that is not capable of operating in Parallel with the Company EDS (i.e. only operating when the Facility is isolated from the Company EDS) will not be considered as part of the Export Capacity and/or aggregate Nameplate Rating of the Facility for the purposes

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of determining eligibility for an Interconnecting Customer to submit an application in the Simplified interconnection process.

Simplified Screens: Figure 1 (Note 2) – System Design Screen:

- I. This screen identifies the need for the Company to review the Interconnection Application, and all of the associated material submitted by the Interconnecting Customer, to determine if the proposed design of the Facility as a whole is likely to operate as intended. In particular, the Company will consider the manufacturer's specifications for all the constituent components of the Facility within the context of the site plan, line diagram, operating schedule, project narrative and any other supplemental materials provided by the Interconnecting Customer that may impact the operation of the proposed Facility in Parallel with the Company's EDS. The Company will also consider whether the proposed Facility design as a whole will comply with the Company's technical standards and may also consider (as directed by the Commission) whether the proposed Facility design complies with the proposed incentive program(s) identified in the Interconnection Application.
- II. Any application (single-phase or three-phase) that exceeds an aggregate Nameplate Rating of 25kW (regardless of Export Capacity) must have an electrical one-line diagram with a P.E. stamp from an electrical engineer certified in Rhode Island.

Simplified Screens: Figure 1 (Note 3) – Service Type & Configuration Screen

- I. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including the service transformer configuration and service type to limit the potential for creating unacceptable voltage imbalance, over-voltage or under-voltage conditions, or service equipment overloads on the Company EDS due to a mismatch between the size and phasing of the energy source, the service loads fed from the service transformer(s), and the service equipment ratings.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Screen Result
Three-phase, three-wire	Three-phase, phase-to-phase	Pass
	Single-phase, phase-to-phase	Pass
	Other configurations	Fail
Three-phase, four-wire	Effectively-grounded three-phase	Pass
	single-phase, line-to-neutral	Pass
	Other configurations	Fail

- II. Secondary Voltage-Rise: The purpose of this screen is to maintain the +/-5% voltage boundaries for the nominal service voltage at the Point of Common Coupling for all customers (including other customers in the general vicinity of the proposed Facility).

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- III. Shared Overhead: If the Facility is to be interconnected on a single-phase overhead transformer that includes at least some portion of shared secondary conductor, the aggregate Export Capacity on the shared secondary, including the Facility's Export Capacity, will not exceed: (a) 25 kilovolt-ampere ("kVA"); (b) the kVA nameplate rating of the service transformer; or (c) a kVA threshold that in combination with the secondary conductor will be likely to cause the voltage on the secondary conductor to be greater than 5 % nominal service voltage.
- IV. Shared Underground: If the Facility is to be interconnected on a single-phase underground transformer that includes at least some portion of shared secondary conductor, the Facility shall fail this screen and require additional review unless the Company has sufficient information readily available at the time of the screening review to make a determination that voltage-rise concerns are unlikely once the Facility is operational.
- V. Dedicated Overhead or Underground: If the Facility is to be interconnected via a dedicated single-phase transformer (and/or on a dedicated service drop or underground service conductor) that does not include any shared-secondary conductor, the aggregate Export Capacity on the dedicated secondary, including the Facility's Export Capacity, will not exceed (a) 25 kilovolt-ampere ("kVA") or (b) the kVA nameplate rating of the service transformer.
- VI. Other Considerations: For overhead service transformers (regardless of whether the Facility is to be connected via a shared or dedicated configuration), if the Facility is to be interconnected on an existing single-phase service drop consisting (at least in part) of #4 size conductor, the Company may determine that the Facility fails this screen and requires additional review. For any other conductor sizes or service configurations that are not explicitly listed in this screen but are likely to cause voltage-rise concerns once the Facility is operational (based on the information that is readily available to the Company at the time of the screening review), the Company may determine the Facility fails this screen and requires additional review. If the Company identifies additional common scenarios that lead to voltage-rise concerns for Facilities that would otherwise have passed this screen based on the aggregate Export Capacity threshold, it will post examples or descriptions of those scenarios on its website and/or in its technical standards.
- VII. If the Facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition of its Nameplate Rating will not create an imbalance between the two sides of the 240-volt service of more than 20% of the rating of the service transformer.

Simplified Screens: Figure 1 (Note 4) – Distribution Planning Analysis for Aggregations of Simplified Applications:

- I. Distribution Planning Analysis in parallel with interconnection processes: If the aggregate Export Capacity and/or Nameplate Rating of Simplified applications on the circuit is greater than the thresholds identified in the diagram, a more expansive study may be required, but an individual Simplified application that passes the technical screens for local concerns should not be delayed as a result of the Distribution Planning Analysis screens in receiving: (a) Conditional Approval as long as the Company has a clear funding source for any incremental

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work triggered by an aggregation of Simplified applications in an area or (b) Authority to Interconnect as long as there are no immediate safety or reliability concerns are present.

- II. Power Flow Screen: On a typical radial distribution EDS circuit (“feeder”) the annual minimum load as referenced at the protective device at the supply point of the circuit. A circuit may also be supplied from a tap on a higher-voltage line, sometimes called a subtransmission line. On more complex radial EDSs, where bidirectional power flow is possible due to alternative circuit supply options (“loop service”), the normal supply point is the loop tap. If minimum load is not readily available, the minimum load will be estimated by taking a percentage of peak load.

3.2 Pre-Application Reports

- I. Prior to submitting an Interconnection Application through either the Expedited or Standard Process (see Sections 3.3 and 3.4), all Interconnecting Customers with Facilities that are 250 kW or greater must request and receive a Pre-Application Report from the Company. An Application for Facilities 250 kW or greater will not be deemed to be complete without a Pre-Application Report. The Pre-Application Form is provided in Exhibit B. The Pre-Application Report is optional at the election of the Interconnecting Customer for those Facilities that are less than 250 kW. There is a fee required for both mandatory and optional Pre-Application Reports. However, the cost of the Pre-Application fee will be deducted from the cost of the Application fee as long as the Interconnecting Customer submits an Interconnection Application within fifteen (15) Business Days of receiving the completed Pre-Application Report from the Company. Please see Table 2 – Fee Schedules for pricing.
- II. Following the submission for either a mandatory or optional Pre-Application Report, the Company shall provide the Report within 10 Business Days assuming a reasonable number of applicants under review. The Pre-Application Report produced by the Company is non-binding, and, if the Interconnecting Customer wishes to proceed, the Interconnecting Customer must still successfully apply to interconnect to the Company’s EDS. If the Company does not produce the Pre-Application Report within 10 Business Days, the Interconnecting Customer may proceed to apply to interconnect to the Company’s EDS without a Pre-Application Report, and the Company shall refund the Pre-Application fee to the Interconnecting Customer. No person or entity, or affiliate or agent thereof, may request more than ten (10) Pre-Application Reports in any one-week period.
- III. The Company shall immediately advise the Interconnecting Customer if there will be a delay in providing the Pre-Application Report due to the number of pending requests.
- IV. The Company shall file an annual report with the Commission by March 1 annually. The annual report shall contain the following: (1) the weekly average of Pre-Application Reports for the prior calendar year; (2) the weekly minimum and maximum number of Pre-Application Reports for the prior calendar year; and (3) the number of delays that were issued due to exceeding a reasonable number of applications under review during the prior calendar year.

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- V. The Company shall provide the following information for the proposed Facility interconnection location in the Pre-Application Report:
- Circuit voltage at the substation;
 - Circuit name;
 - Circuit voltage at proposed Facility;
 - Substation name;
 - Substation transformer rating;
 - Whether Single or three-phase is available near site; If single phase – distance from three phase service;
 - Aggregate connected Facilities (kW) on circuit;
 - Aggregate connected Facilities (kW) on the substation transformer and submitted complete applications of Facilities (kW) that have not yet been interconnected;
 - Whether 3V0 is deployed or scheduled for deployment on the circuit or substation;
 - Submitted complete applications of Facilities (kW) on circuit that have not yet been interconnected;
 - Whether the Interconnecting Customer is served by an area network, a spot network, or radial system;
 - Identification of distribution feeders or sub-transmission lines within ¼ mile of the proposed interconnection site through a snapshot of GIS map or other means; and
 - For the nearest available feeder, the circuit rating and approximate circuit length from the proposed Facility to the substation;
 - Whether the proposed Facility is likely to be on the Standard track;
 - Whether an ASO has informed the Company that an ASO Study is required, or the Company is aware of an on-going ASO Study for the proposed Facility interconnection location;
 - Other obvious system constraints or critical items that may impact the proposed Facility.

3.3 Expedited Process

Other Interconnecting Customers not qualifying for the Simplified Process or not in the Standard Process must pass a series of screens before qualifying for Expedited interconnection. Depending on whether one or more screens are passed, additional steps may be required. The Expedited Process is as follows:

- a. Application process:
 - i. Interconnecting Customer submits an Expedited/Standard application filled out properly and completely (Exhibit C).

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- ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.
 - iv. A Renewable Interconnecting Customer may request a Feasibility Study. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study. If the results of the Feasibility Study allow the Company to provide an executable ISA, it will do so. Otherwise, the Company will provide an ISR DG Study Agreement.
- b. Company then conducts an Initial Review which includes applying the eligibility criteria and screening methodology in Figure 2. If a Facility fails the System Design Screen in Figure 2, the Company will identify the concerns with the proposed Facility design, and the Interconnecting Customer is required to revise the proposed Facility design and associated application materials to resolve the concerns in order to remain in the Expedited process.
- c. The Company reserves the right to conduct internal studies if deemed necessary and at no additional cost to the Interconnecting Customer, such as but not limited to: protection review, aggregate harmonics analysis review, aggregate power factor review and voltage regulation review. Likewise, when the proposed interconnection may result in reversed load flow through the Company's load tap changing transformer(s), line voltage regulator(s), control modifications necessary to mitigate the effects may be made to these devices by the Company at the Interconnecting Customer's expense or the Facility may be required to limit its output so reverse load flow cannot occur or to provide reverse power relaying that trips the Facility.

As part of the Expedited Process, the Company will assess whether any System Modifications are required for interconnection, even if the project passes all of the applicable Screens. If the needed modifications are minor, that is, the requirement can be determined within the time allotted through the application fee and any internal studies, then the modification requirements, reasoning, and costs for these minor modifications will be identified and included in the executable Interconnection Service Agreement. If the requirements cannot be determined within the time and cost allotted in the Initial Review and any internal studies, the Company may require that the project undergo additional review to determine those requirements. The time allocated for additional review is a maximum of 10 hours of engineering time.

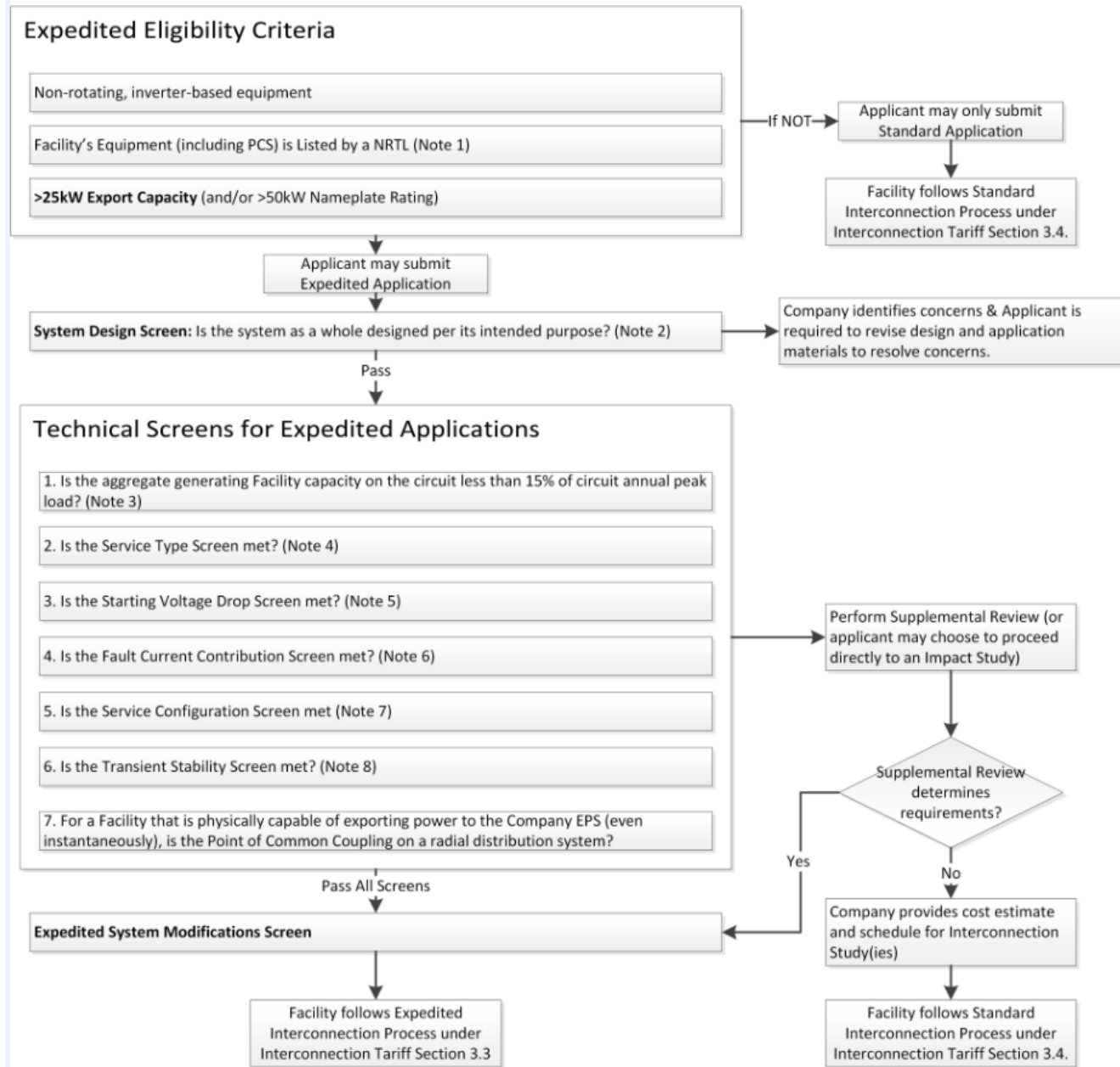
If after this review, the Company still cannot determine the requirements, the Company will document the reasons why and will meet with the Interconnecting Customer to determine how to move the process forward to the Parties' mutual satisfaction. In all cases, the Interconnecting Customer will pay for the cost of modifications, if any, as discussed in Section 5.0.

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- d. Assuming that all applicable Screens are passed and the Company has no concerns with the proposed interconnection, the Company sends the Interconnecting Customer an executable Interconnection Service Agreement and a quote for any required System Modifications or reasonable Witness Test costs. No other studies will be required.
- e. If one or more Screens are not passed, the Company will provide a Supplemental Review Agreement. If the Interconnecting Customer executes the agreement, the Company will conduct the review. If the Supplemental Review determines the requirements for processing the application through the Expedited Process including any System Modifications, then the modification requirements, reasoning, and costs for these modifications as defined in Section 5.0 will be identified and included in an executable Interconnection Service Agreement sent to the Interconnecting Customer for execution. If the Supplemental Review does not determine the requirements, it will include a proposed Impact Study Agreement or ISR DG Agreement as part of the Standard Process which will include an estimate of the cost of the study. Even if a proposed project initially fails a particular Screen in the Expedited Process, if Supplemental Review shows that it can return to the Expedited Process then it will do so. Supplemental Review includes up to 10 hours of engineering time.
- f. Interconnecting Customer returns the signed Interconnection Service Agreement which is then executed by the Company.
- g. Interconnecting Customer completes installation and, upon receipt of payment, the Company completes System Modifications, if required.
- h. Company inspects completed installation for compliance with standards and attends Witness Test, if required.
- i. Interconnecting Customer sends Certificate of Completion to Company.
- j. Assuming inspection is satisfactory, the Company notifies Interconnecting Customer in writing that interconnection is authorized. The Company may, in its sole and exclusive discretion, authorize a Facility to interconnect prior to the completion of the System Modifications, provided, however, that any additional terms and conditions related to such authorization (which may include, without limitation, disconnection, curtailment, construction timeframes, and indemnification) shall be agreed to by the Interconnecting Customer and detailed in the ISA.
- k. The Interconnecting Customer has no right to operate in parallel until it has received the Authorization to Interconnect.

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Figure 2: Expedited Eligibility and Screening Process



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Explanatory Notes to Accompany Figure 2 (Expedited Only)

Expedited Screens: Figure 2 (Note 1) – Eligibility Criteria:

- I. For the purposes of determining eligibility to submit an application in the Expedited interconnection process, all Facility equipment that will operate in Parallel with the Company EDS must meet the following criteria: (a) all generating and ESS equipment must be non-rotating and inverter-based and (b) all inverters and/or components intended to limit the Export Capacity of the system must be certified as Listed by a NRTL. Applications submitted in the Simplified interconnection process that fail the Screens in Figure 1 will be diverted to the Expedited interconnection process.
- II. Where a mechanism is proposed to limit Export Capacity below the Nameplate Rating of the aggregate generating and ESS equipment in order to pass the Screens in Figure 2 and/or avoid the need for System Modifications, the mechanism to limit Export Capacity may monitor the real-time load on the site to ensure compliance with the Company technical standards; however, under no circumstances may the mechanism to limit Export Capacity be contingent upon an assumed minimum load on the site (i.e. when the site load is zero, the Facility as a whole must remain in compliance with the eligibility criteria). While an Interconnecting Customer may propose any mechanism to limit Export Capacity that is permitted in Section 4.3 of the Interconnection Tariff, Facilities that rely on a Power Control System (PCS) may be subject to testing standards other than IEEE Standard 1547. Under such circumstances the PCS shall be tested by a NRTL to the specific standard publication relevant to such devices. Interconnecting Customers who can demonstrate Facility compliance with such a standard, with the testing done by a NRTL, will be eligible for the Expedited Process.
- III. Facilities with inverter-based equipment will be considered Listed upon demonstrating that such equipment has successfully passed all pertinent tests performed by a NRTL to conform with the latest version of IEEE Standard 1547. IEEE Standard 1547 includes design specifications, operational requirements, and a list of tests that are required for Facilities. IEEE Standard 1547.1 describes how to conduct tests to show compliance with provisions of IEEE Standard 1547. To meet the eligibility criteria to submit an application in the Expedited interconnection process, Interconnecting Customers must provide information or documentation that demonstrates how the Facility is in compliance with the IEEE Standard 1547.1. A Facility will be deemed to be in compliance with the IEEE Standard 1547.1 if the Company previously determined it was in compliance. Interconnecting Customers who can demonstrate Facility compliance with IEEE Standard 1547.1, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company. Subject to the Facility passing the System Design Screen, generating and ESS equipment that is not capable of operating in Parallel with the Company EDS (i.e. only operating when the Facility is isolated from the Company EDS) will not be considered as part of the Export Capacity and/or aggregate Nameplate Rating of the Facility for the purposes of determining eligibility for an Interconnecting Customer to submit an application in the Expedited interconnection process.

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Expedited Screens: Figure 2 (Note 2) – System Design Screen:

- I. This screen identifies the need for the Company to review the Interconnection Application, and all of the associated material submitted by the Interconnecting Customer, to determine if the proposed design of the Facility as a whole is likely to operate as intended. In particular, the Company will consider the manufacturer's specifications for all the constituent components of the Facility within the context of the site plan, line diagram, operating schedule, project narrative and any other supplemental materials provided by the Interconnecting Customer that may impact the operation of the proposed Facility in Parallel with the Company's EDS. The Company will also consider whether the proposed Facility design as a whole will comply with the Company's technical standards and may also consider (as directed by the Commission) whether the proposed Facility design complies with the proposed incentive program(s) identified in the Interconnection Application.
- II. Any application (single-phase or three-phase) that exceeds an aggregate Nameplate Rating of 25kW (regardless of Export Capacity) must have an electrical one-line diagram with a P.E. stamp from an electrical engineer certified in Rhode Island.

Expedited Screens: Figure 2 (Note 3) – Aggregate Capacity:

- I. On a typical radial distribution EDS circuit ("feeder") the annual peak load is measured at the substation circuit breaker, which corresponds to the supply point of the circuit. A circuit may also be supplied from a tap on a higher-voltage line, sometimes called a subtransmission line. On more complex radial EDSs, where bidirectional power flow is possible due to alternative circuit supply options ("loop service"), the normal supply point is the loop tap.

Expedited Screens: Figure 2 (Note 4) – Service Type Screen:

- I. This screen includes a review of the type of electrical service provided to the Interconnection Customer, including the service transformer configuration and service type to limit the potential for creating unacceptable voltage imbalance, over-voltage or under-voltage conditions, or service equipment overloads on the Company EDS due to a mismatch between the size and phasing of the energy source, the service loads fed from the service transformer(s), and the service equipment ratings.

Expedited Screens: Figure 2 (Note 5) – Voltage Drop Screen:

- I. This Screen only applies to Facilities that start by motoring the generating unit(s) or the act of connecting synchronous generators. The voltage drops should be less than the criteria below. There are two options in determining whether Starting Voltage Drop could be a problem. The option to be used is at the Company's discretion:

Option 1: The Company may determine that the Facility's starting inrush current is equal to or less than the continuous ampere rating of the Facility's service equipment.

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Option 2: The Company may determine the impedances of the service distribution transformer (if present) and the secondary conductors to the Facility's service equipment and perform a voltage drop calculation. Alternatively, the Company may use tables or nomographs to determine the voltage drop. Voltage drops caused by starting a generating unit as a motor must be less than 2.5% for primary interconnections and 5% for secondary interconnections.

Expedited Screens: Figure 2 (Note 6) – Fault Current Contribution Screen:

- I. The purpose of this Screen is to ensure that fault (short-circuit) current contributions from all Facilities will have no significant impact on the Company's protective devices and EDS. All of the following criteria must be met when applicable:
 - a. The proposed Facility, in aggregation with other generation on the distribution circuit, will not contribute more than 10% to the distribution circuit's maximum fault current under normal operating conditions at the point on the high voltage (primary) level nearest the proposed PCC.
 - b. The proposed Facility, in aggregate with other generation on the distribution circuit, will not cause any distribution protective devices and equipment (including but not limited to substation breakers, fuse cutouts, and line reclosers), or Interconnecting Customer equipment on the EDS to exceed 85% of the short-circuit interrupting capability. In addition, the proposed Facility will not be installed on a circuit that already exceeds 85% of the short-circuit interrupting capability.
 - c. When measured at the secondary side (low side) of a shared distribution transformer, the short-circuit contribution of the proposed Facility must be less than or equal to 2.5% of the interrupting rating of the Company's service equipment.

Coordination of fault-current protection devices and systems will be examined as part of this Screen.

Expedited Screens: Figure 2 (Note 7) – Service Configuration Screen:

- I. This Screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over voltages on the Company EDS due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Screen Result
Three-phase, three-wire	Three-phase, phase-to-phase	Pass
	Single-phase, phase-to-phase	Pass
	Other configurations	Fail
Three-phase, four-wire	Effectively-grounded three-phase	Pass
	single-phase, line-to-neutral	Pass
	Other configurations	Fail

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- II. If the proposed Facility is to be interconnected on a single-phase transformer shared secondary, the aggregate generation and ESS capacity on the shared secondary, including the proposed Facility, will not result in over-voltage concerns.
- III. If the proposed Facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition will not create an imbalance between the two sides of the 240-volt service of more than 20% of nameplate rating of the service transformer.
- IV. Expedited Screens Figure 2 Note 8 – Transient Stability Screen:

The proposed Facility, in aggregate with other Facilities interconnected to the distribution low voltage side of the substation transformer feeding the distribution circuit where the Facility proposes to interconnect, will not exceed 10 MW in an area where there are known or posted transient stability limitations to generating units located in the general electrical vicinity (e.g., 3 or 4 transmission voltage level buses from the PCC).

3.4 Standard Process

The Standard Process has the longest maximum time period and highest potential costs. There are three ways to enter the Standard Process:

1. Interconnecting Customers may choose to proceed immediately to the Standard Process.
Application process:
 - i. Interconnecting Customer submits an Expedited/Standard Application filled out properly and completely (Exhibit C).
 - ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.
2. Based upon the results of the initial and Supplemental Reviews, Interconnecting Customers may be required to enter the Standard Process.
3. Based on the results of the Screens in Figure 2 for networks, Interconnecting Customers may be required to enter the Standard Process.

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The Standard Process is as follows:

Once the application has entered the Standard Process, as described in the previous section, then the Company shall perform one of the following steps within the relevant timeframes provided in Table 1 and fees provided in Table 2:

- a) If requested to do so by a Renewable Interconnecting Customer, the Company shall perform a Feasibility Study prior to the Interconnecting Customer requesting an ISR DG. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study.
- b) If requested to do so by any Interconnecting Customer with one or more applications submitted concurrently with an Aggregate Nameplate Rating greater than 1 MW, the Company shall perform a Pre-Impact Study Review prior to the Interconnecting Customer requesting an Impact Study (or if eligible an ISR DG). Upon receipt of an executed Pre-Impact Study Review Agreement and receipt of the estimated Pre-Impact Study Review fee, the Company shall conduct the Pre-Impact Study Review.
- c) If the Company has already performed a Supplemental Review or provided results from the Screens in Figure 2 for networks (or if otherwise requested by the Interconnecting Customer with a complete application), the Company shall proceed directly to performing an Impact Study (or if eligible an ISR DG). Refer to paragraph d. below for the requirements for initiating an Impact Study (or if eligible an ISR DG).
- d) If the Interconnecting Customer does not otherwise request that the Company proceed with any of the options above, the Company will conduct a Standard Process Initial Review. Once the Initial Review is complete, the Company shall provide pertinent information such as:
 - i. The available fault current at the proposed location;
 - ii. The existing peak loading on the lines in the general vicinity of the Facility;
 - iii. The configuration of the distribution lines;
 - iv. Whether an ASO has informed the Company that an ASO Study is required, or the Company is aware of an on-going ASO Study for the proposed Facility interconnection location;
 - v. Other obvious system constraints or critical items that may impact the proposed Facility.
- e) If the Company conducted an Initial Review, Feasibility Study, Pre-Impact Study Review, or Supplemental Review, the Interconnecting Customer may request a scoping meeting/discussion with the Company within ten (10) business days of receiving the relevant report to review the application and the results provided in the report prior to proceeding to an Impact Study (or if eligible an ISR DG).
- f) The Company provides an Impact Study Agreement, or an ISR DG Agreement, including a cost estimate for the study or the costs for an ISR DG as outlined in Table 2. When the

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Interconnecting Customer signs and returns the Agreement with the fee identified, the Company shall commence the study. If necessary, the Company may put the study on hold while the Interconnecting Customer provides additional information or documentation required to complete the study. Where there are potentially Affected Systems, and no single Party is in a position to prepare an Impact Study covering all potentially Affected Systems, the Company will coordinate with the Interconnecting Customer, the Affected System Operator(s) and/or the Affected System Owner(s) but not be responsible for the timing of any studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems; provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company's cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The timelines in Table 1 will be affected if the ISO-NE's Operating Procedure 14 will be required and/or transmission upgrades or studies are needed for Affected Systems. This could occur, without limitation, if the Interconnecting Customer's Facility is greater than or equal to 5 MWs or if the aggregate capacity of Facilities connected (which are on the same feeder and are physically close to each other) is greater than or equal to 5 MWs. The Company will, when such information becomes available, communicate to the Interconnecting Customer the plan for conducting the ASO Study, the responsibilities of each party, the scope of the ASO Study, the expected timeframe for completion, and the estimated cost of the ASO Study. Where an ASO Study may be required, the Interconnecting Customer, after consultation with the Company, may elect to proceed with the Impact Study or ISRDLG and the ASO Study concurrently. In the event the ASO Study invalidates the initial assumptions used to concurrently complete the Impact Study or ISRDLG, the Company will provide an amended Impact Study or ISRDLG Agreement with a cost estimate and expected timeframe needed to recomplete the Impact Study or ISRDLG with the updated assumptions. The new timeframe will not exceed the timeline in Table 1 for completion of an Impact Study or ISRDLG respectively.

- g) Once the Interconnecting Customer executes the Impact Study Agreement, or an ISRDLG Agreement, and pays pursuant to the terms thereof, the Company will conduct the Impact Study or ISRDLG.
- h) If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are not substantial (i.e., no substation upgrades, etc.), the Impact Study or ISRDLG will determine the scope and cost of the modifications as defined in Section 5.0. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are substantial, the Impact Study or ISRDLG will produce an estimate for the modification costs, including a breakdown of line item details as available based on the engineering performed in the study (within $\pm 25\%$) and a Detailed Study Agreement and estimated Detailed Study cost for Interconnecting Customer's approval. For Facilities requiring completion of an ASO Study, such estimate shall not include any Affected System Owner and/or Affected System Operator costs for studies or necessary system modifications to the Affected System. The Company shall coordinate with the Affected

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System Operator(s) and/or Affected System Owner(s) and communicate to the Interconnecting Customer the ASO's estimated study and ASO upgrade costs as such cost estimates become available.

- i) The Interconnecting Customer will have 10 business days to provide comments on the Impact Study.
- j) Once the Interconnecting Customer executes the Detailed Study Agreement and pays pursuant to the terms thereof, the Company will conduct the Detailed Study.
- k) Upon completion of any necessary studies and upon request from the customer, the Company shall send the Interconnecting Customer an executable Interconnection Service Agreement including a quote for any required System Modifications and reasonable Witness Test costs, assuming the customer has met all necessary obligations up to this point.
- l) Interconnecting Customer returns signed Interconnection Service Agreement.
- m) Interconnecting Customer completes installation and Company completes System Modifications, if required.
- n) Company inspects completed installation for compliance with requirements and attends Witness Test, if required.
- o) Interconnecting Customer sends Certificate of Completion to Company.
- p) Assuming inspection is satisfactory, the Company notifies Interconnecting Customer in writing that interconnection is authorized. The Company may, in its sole and exclusive discretion, authorize a Facility to interconnect prior to the completion of the System Modifications, provided, however, that any additional terms and conditions related to such authorization (which may include, without limitation, disconnection, curtailment, construction timeframes, and indemnification) shall be agreed to by the Interconnecting Customer and detailed in the ISA.
- q) The Interconnecting Customer has no right to operate in parallel until it has received the Authorization to Interconnect.

3.5 Time Frames

Unless otherwise noted, all days in the Interconnection Tariff reference Company business days under normal work conditions.

Table 1 lays out the maximum timeframes allowed under the Simplified, Expedited, and Standard Review processes. Note 1 to the Table contains additional information regarding the timeframes.

All Company timeframes herein are subject to all payments being made in accordance with this Interconnection Tariff and the Interconnecting Customer's Interconnection Service Agreement. The

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Company clock is stopped when awaiting information from Interconnecting Customers, except as set forth in Table 1, Note 7. Any delays caused by the Interconnecting Customer will interrupt the applicable clock.

The Company's timeframes herein will also be extended to the extent of events that are clearly not under the control of the Company, such as extended prohibitive weather, union work stoppage or by events of Force majeure, or delays caused by third parties, including without limitation delays due to ISO-NE requirements not attributable to Company actions.

Moreover, if an Interconnecting Customer fails to act expeditiously to continue the interconnection process or delays the process by failing to provide necessary information within the longer of 15 days or half the time allotted to the Company to perform a given step, or as extended by mutual agreement, then the Company may terminate the application and the Interconnecting Customer must re-apply. However, the Company will be required to retain the work previously performed in order to reduce the initial and Supplemental Review costs incurred for a period of no less than 1 year.

If the Interconnecting Customer does not initiate construction within twelve (12) months of signing the Interconnection Agreement, the Company may require the Customer to provide evidence that the project is moving toward construction. In the event that the Customer cannot provide such evidence (i.e., the project's permitting has been appealed or other reasons beyond the Interconnecting Customer's control), the Company reserves the right to require additional study or require the Customer to reapply for interconnection. Situations that could trigger enforcement of this time limit are: (1) material changes on the distribution circuits (e.g. load changes, circuit reconfiguration) or (2) a second application for interconnection received by the Company on a circuit from the same substation. The same rights of the Company to require the Customer to reapply for interconnection pertains if the interconnecting customer, after initiating construction, does not complete construction within twenty-four months. Notwithstanding these maximum time frames, the Company shall endeavor to meet the Customer's needs.

Interconnecting Customers shall not be required to pay any costs related to Company infrastructure upgrades or System Modifications upon execution of the Interconnection Service Agreement (or once the Interconnecting Customer receives the construction schedule). Interconnecting Customers shall have 90 Business Days from the date of execution of an Interconnection Service Agreement to pay the lesser of (a) an amount equal to the cost of designing the required System Modifications and the cost of any long lead time equipment or (b) 25% of the total estimated cost. The balance of the costs shall be paid within 90 Business Days of the initial payment, or as outlined in the ISA, whichever is longer. The Company's timeline obligation for construction shall commence upon the Interconnecting Customer's payment of 100% of costs under the Interconnection Service Agreement.

3.6 Fee Schedules

Table 2 lays out the fees required for Interconnecting Customers and Renewable Interconnecting Customers to apply for interconnection.

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Review Process	Simplified	Expedited	Standard	
Eligible Facilities	Listed Small Inverter	Listed DG	Non-renewable DG	Renewable DG
Acknowledge receipt of Application	(3 days)	(3 days)	(3 days)	(3 days)
Review Application for completeness	10 days	10 days	10 days	10 days
Complete Review of all screens	10 days	25 days	n/a	n/a
Complete Supplemental Review (if needed)	30 days	20 days	n/a	n/a
Complete Standard Process Initial Review	n/a		20 days	20 days if Feasibility Study not requested
Send Follow-on Studies Cost/Agreement	n/a		5 days	5 days
Feasibility Study (if requested)			n/a	30 calendar days
Pre-Impact Study Review	n/a	n/a	n/a	Mutually Agreed
Complete Impact Study or ISRDG (if requested)	n/a		55 days	The shorter of 55 days or 90 calendar days
Complete Detailed Study (if requested)	n/a	n/a	30 days	30 days
Send Executable Agreement (Note 3)	Done	10 days	15 days	15 days
Total Maximum Days (completed Application to delivery of executable ISA)	20/50 days (Note 4)	45/ 65 days (Note 5)	135/155 days (Note 6)	175 calendar/200 calendar if detailed study is required (Note 7)
Total Maximum Days (receipt of customer executed ISA to completion of System Modifications)	n/a, estimate will be provided with cost estimate and confirmed after payment is received	n/a, estimate will be provided in the ISA construction schedule	n/a estimate will be provided in the ISA construction schedule	<u>Later of</u> (i) 270/360 calendar days, if substation work is necessary, or (ii) mutual extension (Note 8)

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Review Process	Simplified	Expedited	Standard	
Notice/ Witness Test	< 1 day with 10 day notice or by mutual agreement	1-2 days with 10 day notice or by mutual agreement	By mutual agreement	By mutual agreement

Table 1 - Time Frames (Note 1), page 2

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Table 2 - Fee Schedules

	Simplified	Expedited	Standard	
	Listed Small Inverter	Listed DG	Non-Renewable DG	Renewable DG requesting a Feasibility Study or ISR DG
Pre-Application Report Fee	< 250 kW: \$100	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750
Application Fee (covers Screens)	\$0 (Note 1)	\$3/kW, minimum \$300, maximum \$2,500	\$3/kW, minimum \$300, maximum \$2,500	Feasibility Study Fee required in lieu of Application Fee
Supplemental Review or Additional Review (if applicable)	\$0 (Note 1)	Up to 10 engineering hours at \$125/hr. (\$1,250 maximum) (Note 2)	N/A	N/A
Standard Interconnection Initial Review	N/A	N/A	Included in application fee (if applicable)	N/A
Feasibility Study Review	N/A	N/A	N/A	<u>Residential:</u> ≤25kW: \$0 >25kW: \$50 <u>Non-residential:</u> ≤100kW: \$100 ≤250kW: \$300 250kW–1MW: \$1,000 >1MW: \$2,500
Pre-Impact Study Review	N/A	N/A	N/A	Mutually Agreed
Impact Study or ISR DG	N/A	N/A	Actual cost (Note 3)	<u>Residential:</u> >25kW: \$100 <u>Non-residential:</u> ≤100kW: \$500 ≤250kW: \$1,000 250kW–1MW: \$5,000 >1MW: \$10,000 (Note 4)
Detailed Study (if required)	N/A	N/A	Actual cost (Note 3)	Actual cost

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System Modifications (Note 5)	Actual cost	Actual cost	Actual cost	Actual cost
O&M (Note 6)	N/A	TBD	TBD	TBD
Witness Test	0	Actual cost, up to \$300 + travel time (Note 7)	Actual Cost	Actual Cost

The Narragansett Electric Company
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Note 1. All days listed apply to Company business days under normal work conditions unless otherwise noted. Except with respect to Renewable DG Applications received on or after July 1, 2017, all numbers in this table assume a reasonable number of applicants under review. All timelines may be extended by mutual agreement or otherwise affected, suspended, extended or interrupted as specified in this Tariff. Any delays caused by Interconnecting Customer will interrupt the applicable clock, except as provided in Note 7 below. The timelines in Table 1 will be affected if ISO-NE determines that a transmission level system impact study is required. This will occur if the Interconnecting Customer's Facility is greater than 5 MW and may occur if the Interconnecting Customer's Facility is greater than 1 MW.

Note 2. 30 calendar days if load is known or can be reasonably determined, 90 calendar days if it has to be metered.

Note 3. Company delivers an executable agreement form.

Note 4. Shorter time applies to Simplified Process without Supplemental Review; longer time applies to Simplified Process with Supplemental Review to determine the scope and cost estimate for minor System Modifications.

Note 5. Shorter time applies to Expedited Process without Supplemental Review; longer time applies to Expedited Process with Supplemental Review.

Note 6. For Non-Renewable DG, 135-day maximum applies to an Interconnecting Customer opting to begin directly in Standard Process, and 155 days is for an Interconnecting Customer who goes through initial Expedited Process first. In both cases this assumes that both the Impact Study and Detailed Studies are needed. If the Detailed Study is not needed, the timelines will be shorter.

Note 7. For Renewable DG, the 175/200 calendar day maximum applies only to Applications received on or after July 1, 2017. The maximum number of days between the date of the completed Application and the Company's delivery of an executable ISA is 175 calendar days, or 200 calendar days if a Detailed Study is required.

Note 8. These deadlines apply only to Renewable DG Applications received on or after July 1, 2017. All Company System Modifications must be completed by the date which is the later of (1) no longer than 270 calendar days, or 360 calendar days if substation work is necessary, from the date of the Company's receipt of the Renewable Interconnecting Customer's executed ISA, or (2) the Renewable Interconnecting Customer's agreed upon extension of the time between the execution of the ISA and interconnection as set forth in writing. These deadlines are subject to all payments being made in accordance with the Interconnection Tariff and the ISA, and any delay by the Renewable Interconnecting Customer to make said payments will interrupt the applicable clock. Subject to Section 3.5, these System Modification deadlines cannot be extended due to customer delays in providing required information, all of which must be requested and obtained before completion of the Impact

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Study. The deadlines for completion of System Modifications will be extended to the extent of events that are clearly not under the control of the Company, such as extended prohibitive weather, union work stoppage, or events of Force Majeure, or third party delays, including, without limitation, delays due to ISO-NE requirements not attributable to Company actions, and which cannot be resolved despite commercially reasonable efforts. The Company shall notify the customer of the start of any claimed System Modification deadline extension as soon as practicable, its cause and when it concludes, all in writing.

Table 2 – Fee Schedules

Note 1. If the Company determines that the Facility does not qualify for the Simplified Process, it will let the Interconnecting Customer know what the appropriate fee is. If the Company determines that minor System Modifications are required for an application that remains in the Simplified Process, any incremental review or design costs will be included in the System Modification cost estimate, and the Interconnecting Customer will only be responsible for those costs if they chose to proceed with the System Modifications.

Note 2. Supplemental Review and additional review are defined in Section 3.3.

Note 3. This is the actual cost only attributable to the applicant. Any costs not expended from the application fee previously collected will go toward the costs of these studies.

Note 4. To the extent that an ISR DG fee established under this section does not cover the reasonable cost of an ISR DG for a given non-residential project that commences operation, the balance of such costs shall be recovered from such applicant through billings after the project is online. The Company may, at its sole election, offset net metering credits or any standard contract payments until the full fee(s) is reimbursed, if it finds it administratively convenient to use that means of billing for the balance of the fee for a given project.

Note 5. The Company may only charge an Interconnecting Customer for any System Modifications to its electric power system specifically necessary for and directly related to the interconnection.

Note 6. O & M is defined as the Company's operations and maintenance carrying charges on the incremental costs associated with serving the Interconnecting Customer.

Note 7. The fee will be based on actual cost up to \$300 plus driving time, unless Company representatives are required to do additional work due to extraordinary circumstances or due to problems on the Interconnecting Customer's side of the PCC (e.g., Company representative required to make two trips to the site), in which case Interconnecting Customer will cover the additional cost.

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4.0 Interconnection Requirements

4.1 General Design Considerations

Interconnecting Customer shall design and construct the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. Interconnecting Customer agrees to cause its Facility to be constructed in accordance with applicable specifications that meet or exceed those provided under this Section of the Interconnection Tariff. Where an industry standard is referenced, it shall be the latest issued version.

4.0.1 Transient Voltage Conditions

Because of unusual events in the Company's EDS, there will be transient voltage fluctuations, which will result in voltages exceeding the limits of the stated ranges. These transient voltage fluctuations, which generally last only a few milliseconds, arise due to EDS disturbances including, but not limited to, lightning strikes, clearing of faults, and other switching operations. The magnitude of transient voltage fluctuations varies with EDS configuration, grounding methods utilized, local short circuit availability, and other parameters, which vary from point-to-point and from time-to-time on the distribution EDS.

The fluctuations may result in voltages exceeding the limits of the stated ranges and occur because of EDS disturbance, clearing of faults and other switching operations. These unavoidable transients are generally of too short duration and insufficient magnitude to have any adverse effects on general service applications. They may, however, cause malfunctions in equipment highly sensitive to voltage changes, and protective devices may operate to shut down such devices. The magnitude, duration and frequency of transient fluctuations will vary due to EDS configuration and/or circuit arrangement. In addition, disturbances of indeterminate magnitude and duration may occur on infrequent occasions due to short circuits, faults, and other unpredictable conditions.

Transient voltages should be evaluated in the design of the Facility.

4.0.2 Noise and Harmonics

The introduction of abnormal noise/harmonics can cause abnormal neutral current flow, and excessive heating of electrical equipment. Harmonics may also cause distortion in TV pictures, telephone interference, and malfunctions in digital equipment such as computers. The permissible level of harmonics is dependent upon the voltage level and short circuit ratio at a given location. IEEE Standard 1547 provides these levels at the PCC. In requiring adherence to IEEE Standard 1547 the Company is in no way making a recommendation regarding the level of harmonics that a given piece of equipment can tolerate nor is it making a recommendation as to the permissible level in the Interconnecting Customer's Facility.

4.0.3 Frequency

The interconnected electric power system in North America, which is maintained at 60 hertz ("Hz") frequency on its alternating current services, is subject to certain deviations. The usual maximum

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instantaneous deviation from the standard 60 Hz is $\pm 2/10$ cycle ($\pm 0.33\%$), except on infrequent occasions when the deviation may reach $\pm 1/10$ cycle ($\pm 0.17\%$). The usual normal deviation is approximately $\pm 1/20$ cycle ($\pm 0.083\%$). These conditions are subject to occur at any time of the day or night and should be considered in the design of the Facility. All are measured on a 60 Hz base.

4.0.4 Voltage Level

All electricity flow across the PCC shall be in the form of single-phase or three-phase 60 Hz alternating current at a voltage class determined by mutual agreement of the Parties.

4.0.5 Machine Reactive Capability

Facilities less than 1 megawatt ("MW") will not be required to provide reactive capability, except as may be provided by the retail rate schedule and Terms and Conditions for Distribution Services under which the Customer takes service.

Facilities greater than or equal to 1 MW interconnected with the Company EDS shall be required to provide reactive capability to regulate and maintain EDS voltage at the PCC as per NEPOOL requirements. The Company and NEPOOL shall establish a scheduled range of voltages to be maintained by the Facility. The reactive capability requirements shall be reviewed as part of the Impact Study and Detailed Study.

4.2 Protection Requirements for New or Modified Facility Interconnections with the EDS

4.2.1 General Requirements

Any Facility desiring to interconnect with the Company EDS or modify an existing interconnection must meet minimum specifications, where applicable, as set forth in the following documents and standards as may be amended from time to time and requirements in this Section.

- IEEE Standard 1547, "IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems."
- UL Standard 1741, "Inverters, Converters and Charge Controllers for Use in Independent Power Systems."

In the event that the IEEE or UL Standards referenced above conflict with the Company's ESB 756, the Company's ESB 756 where applicable to Rhode Island shall be followed.

The specifications and requirements listed herein are intended to mitigate possible adverse impacts caused by the Facility on the Company's equipment and personnel and on other Interconnecting Customers of the Company. They are not intended to address protection of the Facility itself or its internal load. It is the responsibility of the Facility to comply with the requirements of all appropriate standards, codes, statutes and authorities to protect itself and its loads.

The Company shall not be responsible for the protection of the Facility. The Facility shall be

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responsible for protection of its system against possible damage resulting from parallel operation with the Company so long as the Company adheres to Good Utility Practice. If requested by the Interconnecting Customer, the Company will provide system protection information for the line terminal(s) directly related to the interconnection. This protection information contained herein is provided exclusively for use by the Interconnecting Customer to evaluate protection of its Facility during parallel operation.

At its sole discretion, the Company may consider approving alternatives that satisfy the intent of the requirements contained in this Section.

4.2.2 Facility Classification

To determine the protection requirements for a given Facility, the following Groups have been established:

Group	Type of Interconnection
1	Facilities Qualified for Simplified Interconnection
2	All Facilities Not Qualified for Simplified Interconnection

4.2.3 Protection Requirements

All Facilities must meet performance requirements set forth in relevant sections of IEEE Standard 1547, in particular, the attachments specific to Under Voltage Ride Through, Under Frequency Ride Through and VAr control. Additionally, all Facilities must meet the Company's ESB-756.

4.2.4 Group 1 Facilities

- a. The inverter-based Facility shall be considered *Listed* if it meets requirements set forth in Section 3.1 "Simplified Process".
- b. **External Disconnect Switch:** For Listed inverters, the Company may require an external disconnect switch (or comparable device by mutual agreement of the Parties) at the PCC with the Company or at another mutually agreeable point that is accessible to Company personnel at all times and that can be opened for isolation if the switch is required. The switch shall be gang operated, have a visible break when open, be rated to interrupt the maximum generator output and be capable of being locked open, tagged and grounded on the Company side by Company personnel. The visible break requirement can be met by opening the enclosure to observe the contact separation. The Company shall have the right to open this disconnect switch in accordance with this Interconnection Tariff.

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4.2.5 Group 2 Facilities

a) General Requirements

- i. **Non-Export Power:** If the Parties mutually agree that non-export functionality will be part of the interconnection protection equipment then it will include one of the following: (1) a reverse power relay with mutually agreed upon delay intervals, or (2) a minimum power function with mutually agreed upon delay intervals, or (3) other mutually agreeable approaches, for example, a comparison of nameplate rating versus certified minimum Customer premises load.
- ii. The ISO-NE is responsible for assuring compliance with NPCC criteria. For the interconnection of some larger units, the NPCC criteria may additionally require:

NPCC Protective Relaying Requirements: The Company may require the Facility to be equipped with two independent, redundant relaying systems in accordance with NPCC criteria, where applicable, for the protection of the bulk power system if the interconnection is to the bulk power system or if it is determined that delayed clearing of faults within the Facility adversely affects the bulk power system.

NPCC Requirements: During system conditions where local area load exceeds system generation, NPCC Emergency Operation Criteria requires a program of phased automatic under frequency load shedding of up to 25% of area load to assist in arresting frequency decay and to minimize the possibility of system collapse.

Depending on the point of connection of the Facility to the Company's EDS and in conformance with the NPCC Emergency Operating Criteria, the Facility may be required to remain connected to the EDS during the frequency decline to allow the objectives of the automatic load shedding program to be achieved, or to otherwise provide compensatory load reduction, equivalent to the Facility's generation lost to the system, if the Interconnecting Customer elects to disconnect the Facility at a higher under-frequency set point.

- iii. **Disconnect Switch:** The Facility shall provide a disconnect switch (or comparable device mutually agreed upon by the Parties) at the point of Facility interconnection that can be opened for isolation. The switch shall be in a location easily accessible to Company personnel at all times. The switch shall be gang operated, have a visible break when open, be rated to interrupt the maximum generator output and be capable of being locked open, tagged and grounded on the Company side by Company personnel. The visible break requirement can be met by opening the enclosure to observe the contact separation. The Company shall exercise such right in accordance with Section 7.0 of this Interconnection Tariff.
- iv. **Transfer Tripping:** A direct transfer tripping system, if one is required by either the Interconnecting Customer or by the Company, shall use equipment generally accepted for use by the Company and shall, at the option of the Company, use dual channels.

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b) Requirements for Induction and Synchronous Generator Facilities

- i. **Interconnection Interrupting Device:** An interconnection Interrupting Device such as a circuit breaker shall be installed to isolate the Facility from the Company's EDS. If there is more than one Interrupting Device, this requirement applies to each one individually. The Interconnection Interrupting Device must be capable of interrupting the current produced when the Facility is connected out of phase with the Company's EDS, consistent with Section 4.1.8.3 of IEEE Standard 1547 which states, "the interconnection system paralleling-device shall be capable of withstanding 220% of the interconnection system rated voltage."
- ii. **Synchronizing Devices:** The Interconnecting Customer shall designate one or more Synchronizing Devices such as motorized breakers, contactor/breaker combinations, or a fused contactor (if mutually agreeable) to be used to connect the Facility's generator to the Company's EDS. This Synchronizing Device could be a device other than the interconnection Interrupting Device. The Synchronizing Device must be capable of interrupting the current produced when the Facility is connected out of phase with the Company's EDS, consistent with Section 4.1.8.3 of IEEE Standard 1547 which states, "the interconnection system paralleling-device shall be capable of withstanding 220% of the interconnection system rated voltage."
- iii. **Transformers:** The Company reserves the right to specify the winding connections for the transformer between the Company's voltage and the Facility's voltage ("Step- Up Transformer") as well as whether it is to be grounded or ungrounded at the Company's voltage. In the event that the transformer winding connection is grounded-wye/grounded-wye the Company reserves the right to specify whether the generator stator is to be grounded or not grounded. The Interconnecting Customer shall be responsible for procuring equipment with a level of insulation and fault- withstand capability compatible with the specified grounding method.
- iv. **Voltage Relays:** Voltage relays shall be frequency compensated to provide a uniform response in the range of 40 to 70 Hz.
- v. **Protective Relaying Redundancy:** For induction generators greater than 1/15 of on- site minimum verifiable load that is not equipped with on-site capacitors or that is greater than 200 kW, and for all synchronous generators, protective relays utilized by the Facility shall be sufficiently redundant and functionally separate so as to provide adequate protection, consistent with Company practices and standards, upon the failure of any one component.
- vi. **Protective Relay Hard-Wire Requirement:** Unless authorized otherwise by the Company, protective relays must be hardwired to the device they are tripping. Further, interposing computer or programmable logic controller or the like is not permitted in the trip chain between the relay and the device being tripped.
- vii. **Protective Relay Supply:** Where protective relays are required in this Section, their control circuits shall be DC powered from a battery/charger system or a UPS. Solid- state

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relays shall be self-powered, or DC powered from a battery/charger system or a UPS. If the Facility uses a Company-acceptable non-latching interconnection contactor, AC powered relaying shall be allowed provided the relay and its method of application are fail safe, meaning that if the relay fails or if the voltage and/or frequency of its AC power source deviate from the relay's design requirements for power, the relay or a separate fail-safe power monitoring relay acceptable to the Company will immediately trip the generator by opening the coil circuit of the interconnection contactor.

- viii. **Current Transformers ("CT"):** CT ratios and accuracy classes shall be chosen such that secondary current is less than 100 amperes and transformation errors are consistent with Company practices. CTs used for revenue class metering must have a secondary current of 20 amperes or less.
- ix. **Voltage Transformers ("VT") s and Connections:** The Facility shall be equipped with a direct voltage connection or a VT, connected to the Company side of the Interrupting Device. The voltage from this VT shall be used in an interlock scheme, if required by the Company. For three-phase applications, a VT for each phase is required. All three phases must be sensed either by three individual relays or by one relay that contains three elements. If the voltage on any of the three phases is outside the bounds specified by the Company, the unit shall be tripped. If the Facility's Step- Up Transformer is ungrounded at the Company voltage, this VT shall be a single three-phase device or three single-phase devices connected from each phase to ground on the Company's side of the Facility's Step-Up Transformer, rated for phase- to-phase voltage and provided with two secondary windings. One winding shall be connected in open delta, have a loading resistor to prevent ferroresonance, and be used for the relay specified in these requirements.

c) Additional Requirements for Induction Generator Facilities

- i. **Self-Excitation:** A Facility using induction generators connected in the vicinity of capacitance sufficient to self-excite the generator(s) shall meet the requirements for synchronous machines. The capacitors that enable self-excitation may actually be external to the Facility. The Company will not restrict its existing or future application of capacitors on its lines nor restrict their use by other Interconnecting Customers of the Company to accommodate a Facility with induction machines. If self-excitation becomes possible due to the installation of or presence of capacitance, the protection requirements of the Facility may need to be reviewed and revised, if applicable.

The Facility may be required to install capacitors to limit the adverse effects of drawing reactive power from the EDS for excitation of the generator. Capacitors for supply of reactive power at or near the induction generator with a kilovolts-ampere reactive ("kVAr") rating greater than 30% of the generator's kW rating may cause the generator to become self-excited. (If self-excitation can occur, the Facility shall be required to provide protection as specified in synchronous machines requirements.)

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d) Additional Requirements for Synchronous Generator Facilities

- i. **Ungrounded Transformers:** If the Facility's Step-Up Transformer connection is ungrounded, the Facility shall be equipped with a zero sequence over-voltage relay fed from the open delta of the three-phase VT specified in the Voltage Transformers and Connections Section 4.2.5(b)ix.
- ii. **High-Speed Protection:** The Facility may be required to use high-speed protection if time-delayed protection would result in degradation in the existing sensitivity or speed of the protection systems on the Company's EDS.
- iii. **Breaker Failure Protection:** The Facility may be required to be equipped to provide local breaker failure protection which may include direct transfer tripping to the Company's line terminal(s) in order to detect and clear faults within the Facility that cannot be detected by the Company's back-up protection.
- iv. **Communications Channels:** The Interconnecting Customer is responsible for procuring any communications channels necessary between the Facility and the Company's stations, and for providing protection from transients and over-voltages at all ends of these communication channels. The Interconnecting Customer will also bear the ongoing cost to lease these communication channels. Examples include, but are not limited to, connection to a line using high-speed protection, transfer tripping, generators located in areas with low-fault currents, or back up for generator breaker failure.

4.2.6 Protection System Testing and Maintenance

The Company shall have the right to witness the commissioning testing as defined in IEEE Standard 1547-2003 at the completion of construction and to receive a copy of all test data. The Facility shall be equipped with whatever equipment is required to perform this test.

Testing typically includes, but is not limited to:

- a) CT and VT circuit polarity, ratio, insulation, excitation, continuity and burden tests,
- b) Relay pick-up and time delay tests,
- c) Functional breaker trip tests from protective relays,
- d) Relay in-service test to check for proper phase rotation and magnitudes of applied currents and voltages,
- e) Breaker closing interlock tests, and
- f) Paralleling and disconnection operation.

Prior to final approval by the Company or anytime thereafter, the Company reserves the right to test the generator relaying and control related to the protection of the Company's EDS.

The Interconnecting Customer has the full responsibility for the proper periodic maintenance of its generating equipment and its associated control, protective equipment and interrupting devices. The Interconnecting Customer is responsible for the periodic maintenance of those relays, interrupting

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devices, control schemes, and batteries that involve the protection of the Company's EDS. A periodic maintenance program, mutually agreeable to both the Company and to the Interconnecting Customer is to be established in each case. The Company shall have the right to monitor the periodic maintenance performed.

For relays installed in accordance with the NPCC Criteria for the Protection of the Bulk Power System, maintenance intervals shall be in accordance with such criteria. The results of these tests shall be summarized by the Interconnecting Customer and reported in writing to the Company.

The Company reserves the right to install special test equipment as may be required to monitor the operation of the Facility and its control or for evaluating the quality of power produced by the Facility at a mutually agreed upon location. The cost of this testing will be borne by the Company unless there is shown to be a problem associated with the Facility or if the test was performed at the request of the Interconnecting Customer.

Each routine check shall include both a calibration check and an actual trip of the circuit breaker or contactor from the device being tested. Visually setting a calibration dial, index or tap is not considered an adequate calibration check.

Inverters with field adjustable settings for their internal protective elements shall be periodically tested if those internal elements are being used by the Facility to satisfy the requirements of this Section.

4.2.7 Protection Requirements – Momentary Paralleling of Standby Generators

Protective relays to isolate the Facility for faults in the Company EDS are not required if the paralleling operation is automatic and takes place for less than one-half of a second. An Interrupting Device with a half-second timer (30 cycles) is required as a fail-safe mechanism.

Parallel operation of the Facility with the Company EDS shall be prevented when the Company's line is dead or out of phase with the Facility.

The control scheme for automatic paralleling must be submitted by the Interconnecting Customer for review and acceptance by the Company prior to the Facility being allowed to interconnect with the Company EDS.

4.2.8 Protection System Changes

The Interconnecting Customer must provide the Company with reasonable advance notice of any proposed changes to be made to the protective relay system, relay settings, operating procedures or equipment that affect the interconnection. The Company will determine if such proposed changes require additional review and/or approval of the interconnection per the requirements of this Section.

In the future, should the Company implement changes to the EDS to which the Facility is interconnected, the Interconnecting Customer will be responsible at its own expense for identifying and incorporating any necessary changes to its protection equipment. These changes to the Facility's protection equipment are subject to review and approval by the Company.

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4.3 Limited-Export and Non-Exporting Facilities

4.3.1 General Requirements

The Export Capacity of a Facility shall be considered limited if the Facility complies with the requirements of Section 4.3, subsections 4.3.2 through 4.3.4 to limit the export of electrical power across the Point of Common Coupling, using a means that is acceptable to the Company's technical standards. If the Facility utilizes a design that meets the requirements of Section 4.3, that will determine the Export Capacity of a Facility for use in the Simplified, Expedited, Standard and Complex Processes.

To prevent impacts on system safety and reliability, the Interconnecting Customer shall provide proposed Facility capabilities including sequence of operation, Facility equipment response times, potential maximum export, and other criteria as defined in the Company's technical standards, to the Company as part of the Interconnection Application to describe the proposed Facility operation and any potential Inadvertent Export. The Export Capacity specified by the Interconnecting Customer in the Interconnection Application, including the proposed operating schedule, will be included as an operational limitation in the Interconnection Service Agreement.

Export Capacity will be factored into specific screens and application eligibility criteria elsewhere within the tariff, and shall be considered by the Company, as appropriate, when performing reviews and/or engineering analyses. Complying with any of the requirements of subsections 4.3.2. through 4.3.4 does not supersede the need for additional protective relays for other Protective Functions as defined by the Company and addressed elsewhere in this tariff.

4.3.2 Power Limiting via Protective Functions

Directional power flow at the Point of Common Coupling may be monitored in order for the Facility to take action upon sensing reverse power flow onto the Area EDS or sensing of power import to the Facility below a specific setpoint. The following Protective Functions are acceptable:

- a) A reverse power Protective Function to ensure zero power production from the Facility across the Point of Common Coupling.
- b) A Protective Function to ensure a pre-defined power import or Limited Export to/ from the Facility, across the Point of Common Coupling.

Dynamic adjustment of the Protective Function in response to a utility control signal will be permissible upon mutual agreement between the Company and Interconnecting Customer. In all instances where a Protective Function is employed to limit the power export, the device must be certified for its intended use by a NRTL.

The device(s) that contain(s) the Protective Function may utilize adjustable or fixed trip point and/or time delay settings:

- a) For adjustable setting devices, the Interconnecting Customer shall provide to the Company their proposed settings (limit value, trip or cease to energize setting and/or time delay) and describe the manner in which the settings are protected from inadvertent or malicious adjustment on their one-line diagram in their Interconnection Application.

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- b) For fixed setting devices, the Interconnecting Customer shall provide the fixed setpoints (limit value, trip or cease to energize setting and/or time delay) on their one-line diagram in their Interconnection Application.
- c) For all devices, the Interconnecting Customer must provide proof of NRTL certification and equipment accuracy data within the Interconnection Application documentation, as required in the Company's technical standards.

Protective Function device settings may vary depending on the specifics of the proposed Facility design, proposed equipment, and the electrical characteristics of the interconnecting feeder. The Company will provide permissible setting range(s) and similar technical guidance in the Company's technical standards.

Subject to the Company's technical standards, Protective Functions and associated equipment include, but are not limited to:

- a) A utility-grade (IEEE C37.90 compliant) protective relay with an ANSI 32element (directional power) configured to maintain one of the following:
 - i. Maximum export value across the PCC
 - ii. Zero export across PCC
 - iii. Minimum import to facility from the PCC
- b) A certified Power Control System set to maintain power output in accordance with one of the following:
 - i. Maximum export value across the PCC
 - ii. Zero export across PCC
 - iii. Minimum import to facility from the PCC

The Export Capacity value for systems that qualify under this section is exclusive of Inadvertent Export. The aggregate Inadvertent Export of all Facilities on the circuit may need to be further evaluated.

4.3.3 Reduced Rating Capacity

A reduced capacity rating below that of the Nameplate Rating may be included in the Facility design in order to lower the Export Capacity of the Facility. The reduced capacity rating must be applied to customer equipment that directly allows for power flow from the Facility and whose rating reduction will make the Facility physically incapable of producing power above a specific value. Most typically, this reduced rating capacity is expected to be applied to the Facility inverters.

The reduced Nameplate Rating shall be implemented by the manufacturer or its representatives and shall not be field adjustable by anyone other than the manufacturer or its representatives. The reduced Nameplate Rating shall be indicated by means of a Nameplate Rating replacement, or by a supplemental adhesive Nameplate Rating tag to indicate the reduced Nameplate Rating. At the discretion of the Company the Interconnecting Customer may additionally be required to provide a letter from the manufacturer confirming the reduced capacity.

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4.3.4 Limited Export Using Mutually Agreed-Upon Means

Facilities may be designed with other control systems and/or Protective Functions to limit export and/or Inadvertent Export to levels mutually agreed upon by the Interconnecting Customer and Company. The proposed design scheme must be approved by the Company in accordance with Company technical requirements.

5.0 Responsibility for Costs of Interconnecting a Facility

5.1 Review and Study Costs

The Interconnecting Customer shall be responsible for the reasonably incurred costs of the review by the Company and any interconnection studies conducted as defined by Table 2 ("Fee Schedules") of Section 3.0 of this Interconnection Tariff solely to determine the requirements of interconnecting a Facility with the Company EDS.

5.2 Interconnection Equipment Costs

The Interconnecting Customer shall be responsible for all costs associated with the installation and construction of the Facility and associated interconnection equipment on the Interconnecting Customer's side of the PCC, less any System Improvements.

5.3 System Modification Costs

The Interconnecting Customer shall only pay for that portion of the interconnection costs resulting solely from the System Modifications required to allow for safe, reliable parallel operation of the Facility with the Company EDS; provided, however, the Company may only charge an Interconnecting Customer for System Modifications specifically necessary for and directly related to the interconnection, excluding modifications required on the Transmission infrastructure. The Interconnecting Customer shall also be responsible for all costs reasonably incurred by the Company attributable to:

- a) The proposed interconnection project in designing, constructing, operating and maintaining the System Modifications required to allow for safe, reliable parallel operation of the Facility with the Company EDS, or
- b) Resulting from the Facility operating in conjunction with any existing Facilities, or
- c) Other proposed Facilities that precede the Facility in the interconnection queue.

At the time that the Company provides an Interconnecting Customer with any Impact Study or Detailed Study, the Company shall also provide, along with that Study, a statement of the Company's policies on collection of tax gross-ups.

As appropriate, to the extent that subsequent Interconnecting Customers benefit from System Modifications that were paid for by an earlier Interconnecting Customer, subsequent Interconnection Customers who benefit from those same System Modifications may retroactively contribute a portion of the initial costs, which may be refunded to the earlier customer. In this scenario, the Company may assess a portion of the costs to such subsequent Interconnecting Customers, which will be refunded to

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the earlier Interconnecting Customer if collected. Such assessments may occur for a period of up to five years from the Effective Date of the earlier Interconnecting Customer's Interconnection Service Agreement.

5.4 Separation of Costs

- a. The Company may combine the installation of System Modifications with System Improvements to the Company's EDS to serve the Interconnecting Customer or other customers, but shall not include the costs of such System Improvements in the amounts billed to the Interconnecting Customer for the System Modifications required pursuant to this Interconnection Tariff. Interconnecting Customers shall be directly responsible to any Affected System operator for the costs of any System Modifications necessary to the Affected Systems.
- b. Effective for Renewable Interconnecting Customer Applications filed on or after July 1, 2017, in the event that the Commission determines that a specific System Modification of the electric distribution system benefits other customers and has been accelerated due to an interconnection request and orders the Renewable Interconnecting Customer to fund the modification, the Renewable Interconnecting Customer will be entitled to repayment of the depreciated value of the modification as of the time the modification would have been necessary as determined by the Commission. Subsequent Renewable Interconnecting Customers will be responsible for prorated payments within ten (10) years of the earlier Renewable Interconnecting Customer's payment toward System Modifications.
- c. The Company will consider a system modification to be an accelerated modification if such modification is otherwise identified in the Company's work plan as a necessary capital investment to be installed within a five-year period as of the date the Company begins the impact study of the proposed distributed generation (DG) project (defined as an Accelerated Modification). The Company will identify the Accelerated Modification and the cost thereof in the impact study. The Renewable Interconnecting Customer will be responsible for the identified Accelerated Modification costs less the depreciated value (Modified Costs), which Modified Costs will be estimated in the interconnection service agreement (ISA). Upon reconciliation, final labor, material and depreciation values will be provided based on the actual date of asset installation in the same price categories as originally proposed in the ISA to the customer so that a comparison can be made. The Company will file with the Commission all executed ISAs for Renewable Interconnecting Customer DG projects with an identified Accelerated Modification by July 1 of each year.
- d. Renewable Interconnecting Customers may also petition the Commission directly if the Renewable Interconnecting Customer believes it has been incorrectly charged for an Accelerated Modification under Section 5.4. In these cases, the Renewable Interconnecting Customer shall be responsible to pay for the cost of the system modification pursuant to the ISA, unless and until a determination has been made by the Commission. In all cases, the Company will be entitled to recover the costs of any unpaid portion of an Accelerated Modification(s) in rates.

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5.5 Normal Payment Procedure

All application, study fees, and System Modification costs (except as noted below) are due in full prior to the execution of the work as outlined in this Interconnection Tariff. If the anticipated costs exceed \$25,000, the Interconnecting Customer is eligible for a payment plan, including a payment and construction schedule with milestones for both parties. At the request of the Interconnecting Customer, the Company will break the costs into phases in which the costs will be collected prior to Company expenditures for each phase of the study and/or construction including ordering equipment. The payment plan will be attached as an exhibit to the ISA or relevant study agreements. The Company will not be required to initiate any work for which advanced payment has not been received.

The Company within ninety (90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the ISA, or completion of the relevant study if the Interconnecting Customer does not execute an ISA, and all Company work orders have been closed, shall provide the Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the ISA or relevant study agreement, as the case may be, for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g. statutorily set study fees for the ISR DG), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute, including supporting documentation in the same price categories as originally proposed in the ISA to the customer so that a comparison can be made. To the extent that Interconnecting Customer's cost responsibility in the ISA for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds the Interconnecting Customer's previous aggregate payments, the Company shall invoice the Interconnecting Customer and the Interconnecting Customer shall make payment to the Company within 45 days. To the extent that the Interconnecting Customer's previous aggregate payments exceed the Interconnecting Customer's cost responsibility under the applicable agreement, the Company shall refund to the Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.

5.6 Security and Creditworthiness

In order for the Company to agree to any payment plan where some work may be performed in advance of payment, the Company may require the Interconnecting Customer to provide evidence of creditworthiness. In the event that Interconnecting Customer cannot provide such evidence to the satisfaction of the Company, then the Company may require the Interconnecting Customer to provide sufficient security in order to take advantage of a payment plan. Interconnecting Customer acknowledges that it will be responsible for the actual costs of the System Modifications described in the attached exhibit to the Interconnection Service Agreement, whether greater or lesser than the amount of the payment security provided under this section.

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6.0 Operating Requirements

6.1 General Operating Requirements

Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EDS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of this Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference

Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EDS or if operation of the Facility could cause damage to Company EDS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EDS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating through the Company EDS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EDS, and outages on the Company EDS. If the Interconnecting Customer demonstrates that the Company EDS is adversely affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance

Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Interconnection Tariff. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's

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EDS, personnel, and other persons from damage and injury. The Interconnecting Customer is responsible to comply with switching protocol established with the Company for connection to the EDS.

6.4 Access

The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives

Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment

If necessary for the purposes of this Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under this Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information

The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EDS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.6.

7.0 Disconnection

7.1 Temporary Disconnection

- a. **Emergency Conditions.** Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EDS or to the electric systems of others to which the Company EDS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EDS. To the extent

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information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

- b. **Routine Maintenance, Construction and Repair.** Company shall have the right to disconnect the Facility from the Company EDS when necessary for routine maintenance, construction and repairs on the Company EDS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the PCC, the Interconnecting Customer will provide a minimum of seven days' notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.
- c. **Forced Outages.** During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EDS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EDS without such notice.
- d. **Non-Emergency Adverse Operating Effects.** The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EDS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.
- e. **Modification of the Facility.** Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.
- f. **Re-connection.** Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EDS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection

The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

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8.0 Metering, Monitoring, and Communication

This Section sets forth the rules, procedures and requirements for metering, monitoring and communication between the Facility and the Company EDS where the Facility exports power or is net metered or is otherwise subject to ISO-NE requirements. Interconnecting Customer will be responsible for reasonable and necessary costs incurred by Company for the purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment specified in the Attachments to the Interconnection Service Agreement. Interconnecting Customer's metering (and data acquisition, as required) equipment shall conform to rules and applicable operating requirements.

8.1 Metering, Related Equipment and Billing Options

The Company shall furnish, read and maintain all revenue metering equipment. The Interconnecting Customer shall furnish and maintain all meter mounting equipment such as or including meter sockets, test switches, conduits, and enclosures. The Company shall own the meter and the Interconnecting Customer shall pay to the Company a monthly charge to cover taxes, meter maintenance, incremental reading and billing costs, the allowable return on the invoice cost of the meter and the depreciation of the meter. These charges are set forth in the applicable Company tariff(s), as amended from time to time. Metering requirements and associated charges for Qualifying Facilities and On-Site Generating Facilities are set forth in the applicable Company tariff(s), as amended from time to time. All metering must meet the requirements contained in the Company's Electric Service Bulletin (ESB) 750, section 7; Metering, as may be amended from time to time.

The Interconnecting Customer shall provide suitable space within the Facility for installation of the metering, and communication equipment at no cost to the Company.

If the Metering Point and the Point of Receipt or Point of Delivery are not at the same location, the metering equipment shall record delivery of electricity in a manner that accounts for losses occurring between the Metering Point and the Point of Receipt or Point of Delivery. Losses between the Metering Point and Point of Receipt will be reflected pursuant to applicable Company, ISO-NE criteria, rules or standards.

The type of metering equipment to be installed at a Facility is dependent on the (size) of the Facility and how and if the Facility plans to export power or net meter. For those that will export power or net meter, the available equipment options and associated requirements are:

- a) Net Metering – For Facilities described in the Company's Net Metering Provision, the Facilities will be equipped with net metering in which metering equivalent to or replicating that of a standard distribution class meter is installed and is enabled to run in a normal direction during periods of net consumption and to run backwards during periods of net generator output. All metering equipment included in this type of installation, including self-contained meters and instrument transformers and meters, shall meet ANSI C12.1 Metering Accuracy Standards and ANSI C57.13 accuracy requirements for instrument transformers. For net-metered units over 25 kW, remote access will be required. The Interconnecting Customer shall be responsible for providing all necessary leased or wireless telephone lines and any necessary protection for

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leased lines to remotely access these meters. In the event a wireless meter is requested, and the request is granted by the Company, the Interconnecting Customer will be responsible for all wireless communication charges paid on behalf of the Interconnecting Customer by the Company.

- b) Renewable Energy Growth Program – For Facilities enrolled in the Company’s Renewable Energy Growth Program, metering shall be installed in parallel with the existing metering on-site (if applicable)
- c) Renewable Energy Growth Program and other non-net metered units under 25 kW: Bi-directional, non-interval meter without remote access – in which a distribution class meter with import and export capabilities is installed. Import capabilities will record energy flows from the Company to the Facility during periods when the Facility is a net consumer of energy (the export function will record no flow during these periods) and an export capabilities will record energy flows from the Facility to the Company during periods when the Facility is a net producer of energy (the import function will record no flow during these periods). The import and export capabilities will record total flows only and will not record flows during specific intervals.
- d) Renewable Energy Growth Program and other non-net metered units over 25 kW: Bi-directional, interval meter with remote access – in which a distribution class meter with import and export capabilities is installed. Import capabilities will record energy flows from the Company to the Facility during periods when the Facility is a net consumer of energy (the export function will record no flow during these periods) and an export capabilities will record energy flows from the Facility to the Company during periods when the Facility is a net producer of energy (the import function will record no flow during these periods). The import and export capabilities will record total flows as well as flows during hourly intervals. In addition, the meters will be equipped with remote access capability that may include communication to the extent required by applicable NEPOOL standards. Any existing Company meter on the Interconnecting Customer’s premise will be changed to an interval meter and will require remote access as outlined below. All metering equipment included in this type of installation shall meet the requirements contained in ISO-NE Operating Procedure No. 18, “Metering and Telemetering Criteria” and the Company’s Electric Service Bulletin (ESB) 750, section 7; Metering, as may be amended from time to time. Copies of both publications are available from the Company upon request. The Interconnecting Customer shall be responsible for providing all necessary leased or wired telephone lines and any necessary protection for leased lines to remotely access these meters. In the event that an Interconnecting Customer requests a wireless meter and the Company grants the request, the Interconnecting Customer will be responsible for all wireless communication charges paid on behalf of the Interconnecting Customer by the Company. In addition, the Interconnecting Customer is responsible for all communication required by ISO-NE, or by ISO- NE’s designated satellite. The Interconnecting Customer shall maintain all communication and transducer equipment at the Facility in accordance with ISO- NE criteria, rules and standards.

Units over 5 MW: Facilities which are greater than or equal to 5 MW or in aggregate with other Facilities on the same feeder and near the point of interconnection are 5 MW or greater

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are governed by NEPOOL Operating Procedures No. 14 and No. 18 and are required to provide communication equipment and to supply accurate and reliable information to system operators regarding metered values for MW, MVAR, volt, amp, frequency, breaker status and all other information deemed necessary by ISO-NE and REMVEC) as well as a 24/7 contact name and phone number for operational instructions from the ISO-NE.

8.2 Additional Monitoring and Communication Requirements

As the amount of distributed generation on the Company EDS grows significantly, additional monitoring and communication may be required by the Commission pursuant to a future proceeding.

9.0 Dispute Resolution Process

The Dispute Resolution Process is a multi-stage process described below. The dispute resolution process is appropriate where there is a factual dispute over whether a rule, regulation or tariff has been violated. The dispute resolution process is for project-specific disputes; it is not a forum to challenge an existing policy, rule, regulation, tariff provision, or executed ISA. Neither a third-party mediator/arbitrator nor Commission staff can propose a resolution that shifts costs properly allocated to an Interconnecting Customer under the tariff to the general body of customers. Interconnection issues within the Commission's jurisdiction, which require a Commission ruling on issues of law or tariff interpretation, are not appropriate for the Dispute Resolution Process, and must be addressed through a Petition under the Commission's Rules of Practice and Procedure.

9.1 Good Faith Negotiation

- a. One party submits a request in writing to the other party for initiation of Step 9.1 of the Dispute Resolution Process. The Parties will elevate the dispute to a Vice President or senior management with sufficient authority to make a decision.
- b. If, after 8 days, the dispute is still not resolved, one or both Parties may initiate Section 9.2.a

9.2 Mediation/Non-binding Arbitration

- a. If the dispute is not resolved under Section 9.1, one party to the dispute may request dispute resolution assistance by submitting a written request to the Commission. The request must include the following information:
 1. The rule, regulation, or tariff provision in dispute. If the request is being submitted by the Customer, the request should clearly state the rule, regulation, or tariff provisions the Customer believes the Company violated.
 2. A concise and comprehensive recitation of the facts of the dispute.
 3. A clear statement of the remedy sought. The Commission does not have jurisdiction to award monetary damages under this tariff or ~~Rhode Island General Laws Sections~~ 39-26.3-1 to 6.

The party requesting mediation/non-binding arbitration ("Requesting Party") shall provide a copy of the written request to the other party, the Division of Public Utilities ~~and~~ Carriers and the Office of Energy

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Resources at the same time that it submits its written request to the Commission. Within ten business days after the written request to the Commission for dispute resolution, the other party shall also submit a summary of the situation to the Commission and provide a copy of the summary to the Requesting Party.

- b. Within 17 business days of the submission of a petition to convene the Dispute Resolution Process, the Parties will meet with Commission staff at a date and time set by the Commission staff. During that meeting, they may assist the parties in attempting to resolve the outstanding differences, or shall provide two options to the parties: (1) to engage with the Commission staff to attempt to resolve the dispute or make recommendations to the Commission or (2) to proceed with formal mediation/arbitration as set forth in 9.2.c-1.

In the event the parties choose to engage the assistance of the Commission staff, the Commission staff will set a reasonable schedule for the submission of any discovery issued by the Commission staff and for a subsequent meeting with the parties. The matter will proceed as directed by the Commission staff and any party may request to move to the formal third-party mediation/arbitration set forth in 9.2.c-1 prior to the final meeting conducted by the Commission staff. Any information obtained by the Commission staff, maintained by the Commission Clerk, shall be made available to the third-party mediator/arbitrator. Within ninety (90) business days of the convening of the Dispute Resolution Process, the Commission staff shall submit a summary of the dispute resolution process with the resolution, if one was agreed to, or recommendations to the Commission for its review under Rule 9.3.

- c. If the differences are not resolved in Step 9.2.b, the Commission will provide a list of qualified neutrals and manage the selection of individual neutrals for the case. The Commission will use a list of pre-qualified neutrals maintained at the Commission and, the Parties will select a mutually agreeable mediator pursuant to a reverse-strike-out process³ or another mutually-agreeable method. If either party requests a technical expert, both a mediator and a technical expert will be selected, and the technical expert will be selected using the same strike out process or another mutually-agreeable method as that used for selection of the mediator.
- d. Parties will complete the neutral selection process with the Commission within seven days. This timetable will only be possible if the Commission has, during the initial 14 days, identified mediators and technical experts who have the time available to assist the Parties in a timely manner.
- e. The Commission will arrange for the selected mediator to contact Parties.
- f. The Parties will contract with neutrals for services, splitting the fees 50/50.

³ A "reverse strike out process" involves each party eliminating the least desirable mediator until one is left standing.

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- g. The mediator begins by discussing the case with the disputing Parties to assess the scope of issues and understand the Parties' positions and interests. The mediator and Parties will establish a schedule for completion of mediation within 30 days. Ten days after the 30-day time period begins, the Commission will issue a public notice of the proceeding and will schedule a pre-hearing conference for Section 9.3. The mediator will assist the Parties in developing a scope of work for the technical expert if one is needed. The mediator will also assist the Parties in estimating the Dispute Resolution Process costs and addressing any concerns about those costs.
- h. Mediation meeting or meetings are held.
- i. If the Parties reach agreement, the Dispute Resolution Process ends here.
- j. If the Parties do not reach a mediated agreement, the neutral(s) will issue a brief recommended solution or decision.
- k. If the Parties accept the neutral's recommendation, the Dispute Resolution Process ends here.
- l. If one or both Parties do not accept the neutral recommendation and there is still no agreement, the dispute proceeds to Step 9.3.
- m. Notwithstanding any provisions contained in this section, the parties may agree to have formal arbitrations conducted by Commission staff.

9.3 Commission Adjudicatory Hearing

The goal of this Step is an adjudicatory hearing at the Commission, with witnesses, evidence, etc. that results in a binding precedential decision, appealable to the Rhode Island Supreme Court.

- a. In the event a party does not accept the recommendation in Step 9.2, it may request, in writing, a Commission adjudication.
- b. The Commission holds a pre-hearing conference for which notice has been provided in accordance with Section 9.2.g. The Parties, to the extent desirable and feasible, exchange information and establish an expedited schedule during the pre-hearing conference.
- c. The Commission and the Parties engage in pre-hearing discovery, as needed in the specific case, building on the information developed in Step 9.2, including the mediator's recommendation.
- d. The Commission conducts a hearing.
- e. The Parties file briefs, if one or both desire to do so or the Commission requests they do so. The Parties and the Commission will complete Step 9.3.b through 9.3.e in 90 days.

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- f. The Commission issues its order within 20 days. If it is unable to do so, it will notify the Parties and provide a revised decision date.

The Commission will appoint a hearing officer or other Commission staff person familiar with the DG interconnection process in Rhode Island to oversee the selection of private neutrals and otherwise serve as a resource for DG cases.

Table 3 – Dispute Resolution Timeframes

Dispute Resolution	Timeline
Step 9.1: Good faith negotiation – party submits a request in writing to the other party	–
Parties elevate dispute to VP or Sr. Management for decision	Within 8 days
If dispute not resolved to step 9.2	–
Step 9.2: Submit a written request to the Commission	–
Meet with Commission hearing officer to convene dispute resolution process	Within 17 days
If needed, neutral third party and technical expert are selected	Within 7 days
Public notice of mediation process	Within 10 days of the 30 days listed below
Mediation process	Within 30 days
If still not resolved proceed to step 9.3	–
Step 9.3: Adjudicatory hearing	Within 90 days
Commission issues order	Within 20 days

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9.4 Interconnection Technical Standards Committee

The Interconnection Technical Standards Committee (“ITSC”) will facilitate the timely flow of technical information and introduce potential changes to the technical requirements of interconnection as national standards change. The ITSC shall be comprised of representatives of ~~National Grid~~the Company (two members, at least one of which will have experience in the technical aspects of interconnection and shall be chaired by the Company), the Rhode Island Office of Energy Resources (one member), the Division of Public Utilities and Carriers (one member), industry (two members, with at least one of the members having experience in the technical aspects of interconnection), and ISO-NE (one member). The Chair of the ITSC shall be one of the ~~National Grid~~representativesCompany representatives and the Vice Chair will be a technical representative from the DG Community. The ITSC will meet on a schedule to be determined by the Chair and Vice-Chair, but no less than quarterly each year to discuss, among other topics, both common and Company-specific technical standards for DG interconnection. The Chair and Vice Chair shall jointly determine the agenda of each meeting. The Company will host a webpage that includes contact information of the ITSC members, meeting dates and materials, including a quarterly report-out of activities. ITSC meetings are not public open meetings due to the potentially sensitive nature of meeting topics. Industry professionals and the public outside of the ITSC may be made aware of opportunities to attend meetings and may offer comments to the Committee.

The Company will from time to time change or amend its technical standards, specifications, and provisions of the electric service bulletin (“ESB”) for interconnection applications covered in this Interconnection Tariff and for electric service in general. When the Company is considering changes that are likely to materially impact proposed Facilities or future applications in this Interconnection Tariff, the Company shall provide a draft of the proposed changes to its standards to the ITSC and Interconnecting Customers with potentially impacted applications prior to those changes going into effect. In non-emergency scenarios, the Company will make reasonable efforts to provide such proposed changes no less than ninety (90) calendar days prior to implementation, and where practicable the Company will take into consideration feedback from the ITSC about how such changes would impact Interconnecting Customers. Unless specifically prohibited by the Rhode Island Public Utilities Commission, the Company may make any changes to its technical standards that are aligned with Good Utility Practice or otherwise necessary to comply with its obligations to provide safe and reliable electric service as a regulated entity.

10.0 Insurance Requirements

10.1 General Liability

- 10.1(a) In connection with Interconnecting Customer’s performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
 - i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer’s Facility is greater than five (5) MW;

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- ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
 - iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
 - iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.
- 10.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. ~~However, if~~ The Company, ~~however,~~ recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.
- 10.1~~(e)~~(c) Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.
- 10.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 10.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.
- 10.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.
- 10.1(f) In the event the State of Rhode Island ~~and the Providence Plantations~~, or any other governmental subdivision thereof subject to the claims limits of ~~Rhode Island General Laws~~ Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of ~~Rhode Island General Laws~~ Chapter 9- 31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of ~~Rhode Island General~~

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~~-.Laws-~~ Chapter 9-31 by the Governmental Entity. The Interconnecting Customer must provide proof of their eligibility to be classified a Governmental Entity.

10.2 Insurer Requirements and Endorsements

All required insurance shall be carried by reputable insurers qualified to underwrite insurance in Rhode Island having a Best Rating of "A-". In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross- liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Company prior to cancellation, termination, or material change of such – insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

10.3 Evidence of Insurance

Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with this Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications, and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.0 Limitation of Liability

Effective for Renewable Interconnecting Customer Applications received on or after July 1, 2017, notwithstanding any provision herein to the contrary, any actual damages that a court of competent jurisdiction orders the Company to pay to a Renewable Interconnecting Customer as a direct result of the Company's failure to comply with the timelines for Renewable DG set forth in Table 1 of this Interconnection Tariff shall be subject to ~~Rhode -Island-~~ General Laws ~~Section~~ § 39-26.3-4.1.

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Exhibit A – Simplified Process Interconnection Application Instructions *(please do not submit this page)*

General Information: If you, the Interconnecting Customer, wish to submit an application to interconnect your generating Facility using the Simplified Process (reference Section 3.1 of the Interconnection Tariff for eligibility) please fill out the attached application form completely (not including this page of instructions), including your signature in the space provided.

Interconnections that may be eligible for this Simplified Process include UL 1741-Listed inverter-based Facilities that are either (1) connecting to radial electric power systems with power ratings of ≤ 10 kW single-phase or ≤ 25 kW three-phase, or (2) connecting to spot network electric power systems with power ratings of ≤ 15 kW single-phase. Please attach any documentation provided by the inverter manufacturer concerning the UL 1741 listing provided by the manufacturer.

Mail all material to:

~~National Grid~~
~~The~~
~~Narragansett Electric~~
~~Company~~
~~40 Sylvan Road~~
~~2nd Floor East, E2.577-~~
~~Waltham, MA 02451-280~~
~~Melrose Street~~
~~Providence, RI 02907~~

Attn: RI Interconnection Application

The Simplified Process is as follows:

1. Application process:
 - a. Interconnecting Customer submits a Simplified Application filled out properly and completely.
 - b. The electric utility (Company) acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - c. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what is missing.
2. Company verifies Facility equipment can be interconnected safely and reliably.
3. If approved, the Company signs the application approval line and sends to the Interconnecting Customer. In certain rare circumstances, the Company may require the Interconnecting Customer to pay for minor System Modifications. If so, a description of work and an estimate will be sent back to the Interconnecting Customer for approval. The Interconnecting Customer would then approve via a signature and payment for the minor System Modifications. If the Interconnecting Customer approves, the Company performs the System Modifications. Then, the Company signs the application approval line and sends to the Interconnecting Customer.
4. Upon receipt of the signed application, the Interconnecting Customer installs the Facility. Then

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the Interconnecting Customer arranges for inspection of the completed installation by the local electrical wiring inspector, or other authority having jurisdiction, and this person signs the Certificate of Completion. If the Facility was installed by an electrical contractor, this person also fills out the Certificate of Completion.

5. The Interconnecting Customer returns the Certificate of Completion to the Company.
6. Following receipt of the Certificate of Completion, the Company may inspect the Facility for compliance with standards by arranging for a Witness Test. The Interconnecting Customer has no right to operate in parallel (interconnect) until a Witness Test has been performed or has been previously waived on the Application Form. The Company is obligated to complete this Witness Test within 10 business days of the receipt of the Certificate of Completion. If the Company does not inspect in 10 business days or by mutual agreement of the Parties, the Witness Test is deemed waived.
7. Assuming the wiring inspection and/or Witness Test is satisfactory, the Company notifies the Interconnecting Customer in writing that interconnection is authorized. If the Witness Test is not satisfactory, the Company has the right to disconnect the Facility, and will provide information to the Interconnecting Customer describing clearly what is required for approval.

Contact Information: You must provide the contact information for the legal applicant (i.e. the Interconnecting Customer). If other parties are responsible for interfacing with the Company, you should provide their contact information as well.

Ownership Information: Please enter the legal names of the owner or owners of the Facility. Include the percentage ownership (if any) by any Company or public utility holding company, or by any entity owned by either.

Generating Facility Information: Please consult an actual electric bill from the Electric Service Company and enter the correct Account Number and Meter Number on this application. If the facility is to be installed in a new location, a temporary number may be assigned by the Electric Company.

UL 1741 Listed? The standard UL 1741, “Inverters, Converters, and Controllers for Use in Independent Power Systems,” addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers choose to submit their equipment to a Nationally Recognized Testing Laboratory (“NRTL”) that verifies compliance with UL 1741. This term “Listed” is then marked on the equipment and supporting documentation.

Eligibility Requirements for the Renewable Energy Growth (“REG”) Program Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and ~~National Grid~~ The Narragansett Electric Company will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the REG Program.

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Eligible Applicant

An Applicant must be in good standing with regard to obligations to ~~National Grid~~The Narragansett Electric Company. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC. Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a ~~National Grid~~The Narragansett Electric Company customer's residence where the residential customer receives electric service under the Company's residential rate schedules as provided for in the tariffs governing the REG Program, as may be amended from time to time.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured for net metering but are not required to do so. These projects will receive retail delivery service pursuant to the Company's small and medium rate schedules as provided for in the tariffs governing the REG Program, as may be amended from time to time.

Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications.

Under the REG Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the REG Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit A — Simplified Process Interconnection Application and Service Agreement**Contact Information (PRINT):

Interconnecting Customer: _____ Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Host Retail Customer Contact Information (complete any information that is different from Interconnecting Customer)

Retail Customer: _____ Contact Person _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (primary): _____ Telephone (Secondary) _____

Fax: _____ E-Mail(s): _____

Alternative Contact Information (e.g., system installation contractor or coordinating company, if appropriate):

Contact Name: _____ Company Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Electrical Contractor Contact Information (if appropriate):

Name (Print): _____

Mailing Address: _____ Telephone: _____

City: _____

State: _____

Zip Code: _____

Ownership Information (include % ownership by any electric utility): _____Facility Information:Description:

Address of Facility: _____

City: _____ State: _____ Zip Code: _____

Electric Service Company: National Grid Account Number: _____ Meter Number: _____

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Work Request Number (For Upgrades or New Service): _____

Inverter Manufacturer: _____ Model Name and Number: _____ Quantity: _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts) Single ☐ or Three ☐ Phase

System Design Capacity: _____ (kW) _____ (kVA) For Solar PV provide the DC-STC rating: _____ (kW)

Prime Mover: Photovoltaic ☐ Reciprocating Engine ☐ Fuel Cell ☐ Turbine ☐ Other _____

Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other _____

IEEE 1547.1 (UL 1741) Listed? Yes ☐ No ☐ Generating system already exists on current account? Yes ☐ No ☐

Customer Program Elections:

A customer may make a program election for a project on this interconnection application. ~~National Grid~~The Narragansett Electric Company will review the customer's responses provided here and other information to determine whether the project meets these requirements.

Applying for Net Metering? Yes ☐ No ☐

Applying to Renewable Energy Growth Program? Yes ☐ No ☐ (If yes, must be configured for Net Metering and the Customer electric account(s) must be in good standing)

Is the Customer receiving electric service as Basic Residential Rate A-16 or Low Income Rate A-60? Yes ☐ No ☐

Does the Customer have site control for the Project? Yes ☐ No ☐

Is the Project already operating? Yes ☐ No ☐ (If yes, not eligible for Renewable Energy Growth Program)

Is the Project more than 25% constructed? ☐ Yes ☐ No (If yes, not eligible for Renewable Energy Growth Program)

Is the Project segmented (divided or split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications)? ☐ Yes ☐ No (If yes, not eligible for Renewable Energy Growth Program)

Estimated Install Date: _____

Estimated In-Service Date: _____

Renewable Energy Growth Program Selection Only

Panel Manufacturer, Model Name, and Number: _____ Quantity: _____

Azimuth and Tilt of Panels

Azimuth: (compass degree heading) _____ Tilt (degree tilt) _____

Total Project Costs: _____ Electrical Permit Fee: _____

Building Permit Fee: _____

If a project is at an existing location, has the location received an Energy Efficiency Audit? ☐ Yes ☐ No

Contract Term: 15yrs ☐ or 20yrs ☐

When Enrolling in the Renewable Energy Growth Program, customer account information and signature must be provided on the **Payment/Credit Transfer Form** and submitted with this application.

Renewable Energy Growth Program Application Affidavit must be signed and returned with this application.

Customer Signature

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true and I agree to the Terms and Conditions on the following page:

Interconnecting Customer Signature: _____ Title: _____ Date: _____

Please attach any documentation provided by the inverter manufacturer describing the inverter's UL 1741 listing.

Approval to Install Facility (For ~~National Grid~~The Narragansett Electric Company use only)

Installation of the Facility is approved contingent upon the terms and conditions of this Agreement, and agreement to any system modifications, if required (Are system modifications required? Yes ☐ No ☐ To be Determined ☐)

~~National Grid~~The Narragansett Electric Company Signature: _____ Title: _____ Date: _____

Application ID number: _____ Company waives inspection/Witness Test? Yes ☐ No ☐

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Terms and Conditions for Simplified Process Interconnections

1. **Construction of the Facility.** The Interconnecting Customer may proceed to construct the Facility once the Approval to Install the Facility has been signed by the Company.
2. **Interconnection and operation.** The Interconnecting Customer may operate Facility and interconnect with the Company's system once the following has occurred:
 - 2.1. **Municipal Inspection.** Upon completing construction, the Interconnecting Customer will cause the Facility to be inspected or otherwise certified by the local electrical wiring inspector with jurisdiction.
 - 2.2. **Certificate of Completion.** The Interconnecting Customer returns the Certificate of Completion appearing as Attachment 2 to the Agreement to the Company at address noted.
 - 2.3. **Company has completed or waived the right to inspection.**
3. **Company Right of Inspection.** Within ten (10) business days after receipt of the Certificate of Completion, the Company may, upon reasonable notice and at a mutually convenient time, conduct an inspection of the Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with the Interconnection Tariff. The Company has the right to disconnect the Facility in the event of improper installation or failure to return Certificate of Completion. If the Company does not inspect in 10 days or by mutual agreement of the Parties, the Witness Test is deemed waived.
4. **Safe Operations and Maintenance.** The Interconnecting Customer shall be fully responsible to operate, maintain, and repair the Facility.
5. **Access.** The Company shall have access to the disconnect switch (if required) of the Facility at all times.
6. **Disconnection.** The Company may temporarily disconnect the Facility to facilitate planned or emergency Company work.
7. **Metering and Billing.** All Facilities approved under this Agreement qualify for net metering, as approved by the Commission from time to time, and the following is necessary to implement the net metering provisions:
 - 7.1. **Interconnecting Customer Provides Meter Socket.** The Interconnecting Customer shall furnish and install, if not already in place, the necessary meter socket and wiring in accordance with accepted electrical standards.
 - 7.2. **Company Installs Meter.** The Company shall furnish and install a meter capable of net metering within ten (10) business days after receipt of the Certificate of Completion if inspection is waived, or within 10 business days after the inspection is completed, if such meter is not already in place.
8. **Indemnification.** Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.
9. **Limitation of Liability.** Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
10. **Termination.** This Agreement may be terminated under the following conditions:
 - 10.1. **By Mutual Agreement.** The Parties agree in writing to terminate the Agreement.
 - 10.2. **By Interconnecting Customer.** The Interconnecting Customer may terminate this Agreement by providing written notice to Company.
 - 10.3. **By Company.** The Company may terminate this Agreement (1) if the Facility fails to operate for any consecutive 12 month period, or (2) in the event that the Facility impairs the operation of the electric distribution system or service to other customers or materially impairs the local circuit and the Interconnecting Customer does not cure the impairment.
11. **Assignment/Transfer of Ownership of the Facility.** This Agreement shall survive the transfer of ownership of the Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.
12. **Interconnection Tariff.** These Terms and Conditions are pursuant to the Company's Tariff for the Interconnection of Customer-Owned Generating Facilities, as approved by the Rhode Island Public Utilities Commission and as the same may be amended from time to time ("Interconnection Tariff"). All defined terms set forth in these Terms and Conditions are as defined in the Interconnection Tariff (see Company's website for complete tariff).

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ATTACHMENT 2

Certificate of Completion for Simplified Process Interconnections**Installation Information:**☐ Check if owner-installed

Customer or Company Name (print): _____

Contact Person, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Account Number: _____ Meter Number: _____

Electrical Contractor's Company or Name (print): _____

Electrician Name, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

License number: _____

Date of approval to install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The system has been installed and inspected in compliance with the local Building/Electrical Code of :

(City/Town)Signed/Date (Local/Federal Electrical Wiring
Inspector, or attach signed electrical inspection): _____

Wiring Inspector Name (printed): _____

Telephone Number: _____

Email Address: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed

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electrical permit to **Error! Hyperlink reference not valid.** CAP@rienergy.com

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit B - Generating Facility Expedited/Standard Pre-Application Report Form**

Interconnecting Customer Name (print): _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____ Facsimile Number: _____

E-Mail Address: _____

Alternative Contact Information (e.g., system installation contractor or coordinating company)

Name (print): _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

Facility Information:

- 1) Proposed Facility Location (street address with cross streets, including town, and a Google Map still picture and GPS coordinates): _____
- 2) Generation Type: _____
- 3) Size (AC kW): _____
- 4) Single or Three Phase Generator Configuration: _____
- 5) Stand-alone (no on-site load, not including parasitic load)? Yes _____ No _____
- 6) If there is existing service at the Proposed Facility site, provide:
 - a) Interconnecting Customer Account Number

 - b) site minimum and maximum (if available) current or proposed electric loads
 - i) Minimum kW: _____
 - ii) Maximum kW: _____
- 7) Is new service or service upgrade needed?: _____
- 8) Substation Name: _____
- 9) Circuit rating and approximate circuit length of nearest available feeder from the proposed Facility to the substation:

DISCLAIMER: Be aware that this Pre-Application Report is simply a snapshot in time and is non-binding. System conditions can and do change frequently.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit C – Expedited/Standard Process Interconnection Application**
Instructions *(please do not submit this page)***General Information**

If you wish to submit an application to interconnect your generating facility using the Expedited or Standard Process, please fill out all pages of the attached application form (not including this page of instructions). Once complete, please sign, attach the supporting documentation requested and enclose an application fee of \$3/kW (minimum of \$300 and maximum of \$2,500).

Contact Information: You must provide as a minimum the contact information of the legal applicant. If another party is responsible for interfacing with the Company (utility), you may optionally provide their contact information as well.

Ownership Information: Please enter the legal names of the owner or owners of the generating facility. Include the percentage ownership (if any) by any electric service company (utility) or public utility holding company, or by any entity owned by either.

Generating Facility Information

Account and Meter Numbers: Please consult an actual electric bill from the Electric Service Company and enter the correct Account Number and Meter Number on this application. If the facility is to be installed in a new location, a temporary number may be assigned by the Electric Company.

UL 1741 Listed? The standard UL 1741, “Inverters, Converters, and Controllers for Use in Independent Power Systems,” addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers choose to submit their equipment to a Nationally Recognized Testing Laboratory (“NRTL”) that verifies compliance with UL 1741. This “listing” is then marked on the equipment and supporting documentation.

DEM Air Pollution Control Permit Needed? A generating facility may be considered a point source of emissions of concern by the Rhode Island Department of Environmental Management (“RIDEM”). Therefore, when submitting this application, please indicate whether your generating facility will require an Air Pollution Control Permit. You must answer these questions, however, your specific answers will not affect whether your application is deemed complete. Please contact the RIDEM to determine whether the generating technology planned for your facility qualifies for a RIDEM waiver or requires a permit.

Jurisdictional Statement: The Company is a public utility subject to the concurrent jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and the Rhode Island Public Utilities Commission (“RIPUC”). Pursuant to the Federal Power Act, FERC has jurisdiction over the transmission and sale of electric energy at wholesale in interstate commerce, including jurisdiction over certain generator interconnections. All of the Company’s transmission facilities (including distribution facilities and certain generator interconnection facilities serving a FERC-jurisdictional transmission function) are: (1) subject to FERC jurisdiction; (2) under the operating authority of the regional transmission operator ISO New England Inc. (“ISO-NE”); and (3) subject to the terms and conditions of the ISO-NE Transmission, Markets and Services Tariff (“ISO-NE Tariff”).

As the result of this application for interconnection service, the Company may determine that the interconnection is under FERC jurisdiction. If this is the case, the Company may direct the Interconnecting Customer to submit an Interconnection Request to ISO-NE under the ISO-NE Tariff or, if an Interconnection Service Agreement (ISA) is executed between the Company and the Interconnecting Customer under this RIPUC Tariff, the Company may file a copy of the ISA with FERC.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Generating Facility Expedited/Standard Process Interconnection Application****Contact Information**

Date Prepared: _____

Legal Name and address of Interconnecting Customer (or, Company name, if appropriate)

Customer or Company Name: _____ Contact Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Alternative Contact Information (e.g. system installation contractor or coordinating company)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Ownership (include % ownership by any electric utility): _____**Generating Facility Information**

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Electric Service Company: National Grid Account Number: _____ Meter Number: _____

Work Request Number (For Upgrades or New Service): _____

Type of Generating Unit: Synchronous ☐ Induction ☐ Inverter ☐

Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVAr) _____ (Volts) Single ☐ or Three ☐ PhasePrime Mover: Fuel Cell ☐ Recip Engine ☐ Turbine ☐ Photo Voltaic ☐ Other ☐ Specify: _____Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other ☐ Specify: _____For Solar PV provide system DCC-STC rating: _____ (kW) Requesting Feasibility Study? Yes ☐ No ☐

Please fill out required fields in the form below for the type of system specified above, the application will not be considered complete unless all required fields are filled out accurately

Need an air quality permit from RIDEM? Yes ☐ No ☐ Not Sure ☐If "yes", have you applied for it? Yes ☐ No ☐ _____For inverter based units – is the unit IEEE 1547.1 (UL 1741) Listed? Yes ☐ No ☐Generating system already exists on current account? Yes ☐ No ☐Planning to Export Power? Yes ☐ No ☐ A Cogeneration Facility? Yes ☐ No ☐Will Customer generate more than 95% of their hourly consumption on an annual basis? Yes ☐ No ☐

Anticipated Export Power Purchaser: _____

Purpose of Generating Facility:

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PLEASE READ THE QUESTIONS BELOW CAREFULLY. YOU MUST NOTIFY THE COMPANY AS EARLY AS POSSIBLE IF YOUR ANSWERS TO THE QUESTIONS IN THIS SECTION WOULD BE DIFFERENT AT ANY POINT IN THE FUTURE.

1. Exporting Electricity?

Please check only a single response below.

☐ This Facility will never export any electricity to the electric grid.

OR

☐ This Facility will export electricity to the electric grid under the net metering tariff, and Schedule B is attached here.

OR

☐ This Facility will export electricity to the electric grid and plans to enroll in the Renewable [Energy Growth Program](#) tariff. If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ This Facility will export electricity to the electric grid under the net metering tariff, and Schedule B is attached here, and plans to enroll in the Renewable [Energy Growth Program](#) tariff.

If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ I do not yet know whether this Facility will export electricity to the electric grid.

2. Net Annual Exporter of Electricity?

Please check only a single response below.

☐ This Facility will never export more electricity than it will consume over the course of one year.

OR

☐ This Facility will export more electricity than it will consume over the course of one year.

OR

☐ I do not yet know whether this Facility will export more electricity than it will consume over the course of one year.

3. Selling Electricity?

Please check only a single response below.

☐ All of the electricity produced by this Facility will be sold to a customer who will seek net metering credits from the Company and use the credits on the customer's electricity accounts.

OR

☐ All of the electricity produced by this Facility plans to be sold through the Renewable Energy Growth Program tariff. If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ All of the electricity from this Facility will be sold directly into the regional wholesale electricity market. (For more information, please see: www.iso-ne.com/regulatory/tariff/sect_3/index.html.)

4. Seeking Capacity Revenue?

Please check only a single response below.

☐ This Facility will never seek capacity credit from the ISO-New England Forward Capacity Market ("FCM").

OR

☐ This Facility will seek capacity credit from the FCM. (For more information, please see:

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www.iso-ne.com/markets/othrmkts_data/fcm/index.html.)

OR

☐ I do not yet know whether this Facility will seek capacity credit from the FCM.

5. Qualifying Facility Certification?

Please check only a single response below.

☐ This Facility will not seek QF status from FERC.

OR

☐ This Facility has already sought or will seek certification from the Federal Energy Regulatory Commission ("FERC") as a Qualifying Facility ("QF"). (For more information, please see: www.ferc.gov/industries/electric/gen-info/qual-fac.asp.)

OR

☐ I do not yet know whether this Facility will seek QF status.

Est. Install Date: _____ Est. In-Service Date: _____ Agreement Needed By: _____

Est. Install Date: _____ Est. In-Service Date: _____ Agreement Needed By: _____

Application Process

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true:

Interconnecting Customer Signature: _____ Title: _____ Date: _____

National Grid Signature: _____ Title: _____ Date: _____

Generating Facility Technical Detail

Date: _____

Information on components of the generating facility that are using UL Listed equipment (i.e., primarily solar, but if the proposed Facility is using a UL Listed inverter, please fill out below) :

Equipment Type	Manufacturer	Model	National Standard
1. _____			
2. _____			
3. _____			
4. _____			
5. _____			
6. _____			

Total Number of Generating Units in Facility? _____

Generator Unit Power Factor Rating: _____

Max Adjustable Leading Power Factor? _____ Max Adjustable Lagging Power Factor? _____

Generator Characteristic Data (for all inverter-based machines)

Max Design Fault Contribution Current? _____

Instantaneous ☐ or RMS? ☐

Harmonics Characteristics: _____

Start-up power requirements: _____

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Generator Characteristic Data (for all rotating machines)

Rotating Frequency: _____ (rpm) Neutral Grounding Resistor (If Applicable): _____

Additional Information for Synchronous Generating Units

Synchronous Reactance, X_d : _____ (PU) Transient Reactance, X'_d : _____ (PU)

Subtransient Reactance, X_d : _____ (PU) Neg Sequence Reactance, X_2 : _____ (PU)

Zero Sequence Reactance, X_0 : _____ (PU) kVA Base: _____

Field Voltage: _____ (Volts) Field Current: _____ (Amps)

Additional information for Induction Generating Units

Rotor Resistance, R_r : _____ Stator Resistance, R_s : _____

Rotor Reactance, X_r : _____ Stator Reactance, X_s : _____

Magnetizing Reactance, X_m : _____ Short Circuit Reactance, X_d'' : _____

Exciting Current: _____ Temperature Rise: _____

Frame Size: _____

Total Rotating Inertia, H : _____ Per Unit on kVA Base: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Additional information for Induction Generating Units that are started by motoring

Motoring Power: _____ Design Letter: _____

Additional information needed for Wind turbines:

Manufacturer's voltage flicker data (please provide source documents): _____

Estimated generation data (kW output) in ten (10) second increments based on actual or estimated wind data at the proposed site location (please provide source documents and analysis to support).

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Interconnection Equipment Technical Detail

Date: _____

Will a transformer or a grounding bank be used between the generator and the point of interconnection? Yes ☐ No ☐Will the transformer be provided by Interconnecting Customer? Yes ☐ No ☐Transformer Data (if applicable, for all Interconnecting Customer-Owned Transformers including if a grounding bank is proposed, please provide data on each transformer or grounding bank):Nameplate Rating: _____ (kVA) Single ☐ or Three ☐ Phase

Transformer Impedance: _____ (%) on a _____ kVA Base

Transformer Primary: _____ (Volts) Delta ☐ Wye ☐ Wye Grounded ☐ Other ☐Transformer Secondary: _____ (Volts) Delta ☐ Wye ☐ Wye Grounded ☐ Other ☐Transformer Fuse Data (if applicable, for Interconnecting Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt & Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____

Size: _____ Speed: _____

Will a Neutral grounding reactor be installed? Yes ☐ No ☐, if yes, please provide the following:

Thermal current rating: _____ (amps)

Continuous current rating: _____ (amps), at a rated time of _____ (seconds)

Impedance: _____ (ohms)

Rated voltage: _____ (kV)

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____ Load Rating: _____ Interrupting Rating: _____ Trip Speed: _____
(Amps) (Amps) (Cycles)Interconnection Protective Relays (if applicable):

(If microprocessor-controlled)

List of Functions and Adjustable Set points for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1.	_____		
2.	_____		
3.	_____		
4.	_____		
5.	_____		
6.	_____		

(If discrete components)

(Enclose copy of any proposed Time Over-current Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

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Standards for Connecting Distributed Generation**Interconnection Equipment Technical Detail, page 2**Current Transformer Data (if applicable):

(Enclose copy of Manufacturer's Excitation & Ratio Correction Curves)

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Potential Transformer Data (if applicable):

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

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General Technical Detail

Date: _____

E-mail a copy of the following to: ~~Error! Hyperlink reference not valid.~~ CAP@rienergy.com

- Site electrical One-Line Diagram (relay settings should appear on one-line when applicable) showing the configuration of all generating facility equipment, current and potential circuits, and protection and control schemes with a stamp from a professional engineer ("PE") registered in the state where the facility is located.
- Site plan that indicates the precise physical location of the following: a) proposed generating facility, b) external utility disconnect, c) all utility meters, d) location of proposed access to the facility, and, e) any public ways in the area (refer to the sample site plan on the National Grid website). If any of these locations change, provide an updated site plan prior to energizing the Facility
- Three-line diagram for non UL-1741 certified generator or multiple inverter projects, stamped by a Rhode Island Electrical Professional Engineer.
- Links or PDF copies of the specification sheets for the generator, protection equipment, transformer (s) and any other pieces of equipment deemed appropriate.

Mail the Interconnection Application ("IA") fees check and first page of the signed IA to:

~~National Grid~~ [The Narragansett Electric Company](#)
Attn: Distributed Generation
~~40 Sylvan Rd (E3-571A)~~
~~Waltham, MA 02451-1120~~ [280 Melrose Street](#)
[Providence, RI 02907](#)

The Narragansett Electric Company
Standards for Connecting Distributed Generation**ATTACHMENT 2**
Certificate of Completion for Expedited/Standard Process
Interconnections**Installation Information:**☐ Check if owner-installed

Customer or Company Name (print): _____

Contact Person, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Account Number: _____ Meter Number: _____

Electrical Contractor's Company or Name (print): _____

Electrician Name, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

License number: _____

Date of approval to install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The system has been installed and inspected in compliance with the local Building/Electrical Code of:

(City/Town)Signed/Date (Local/Federal Electrical Wiring
Inspector, or attach signed electrical inspection): _____

Wiring Inspector Name (printed): _____

Telephone Number: _____

Email Address: _____

As a condition of interconnection you are required to send/fax a copy of this form along with a copy of the signed electrical permit to: **Error! Hyperlink reference not valid.** CAP@rienergy.com

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Exhibit D – Supplemental Review Agreement

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Supplemental Review relative to the Expedited Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Supplemental Review pertains to Application Number ____ (the Interconnecting Customer’s application ID number).

If the Supplemental Review determines the requirements for processing the application through the Expedited Process including any System Modifications, then the modification requirements, reasoning, and costs for these modifications will be identified and included in an executable Interconnection Service Agreement sent to the Interconnecting Customer for execution. If the Supplemental Review does not determine the requirements, it will include a proposed Impact Study Agreement as part of the Standard Process which will include an estimate of the cost of the study.

The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Supplemental Review not already provided in the Interconnecting Customer’s application.

All work pertaining to the Supplemental Review that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.

The Company shall perform the Supplemental Review for a fee not to exceed \$1,250. The Company anticipates that the Supplemental Review will cost \$ _____. No work will be performed until payment is received.

Please indicate your acceptance of this Agreement by signing below.

Name: _____

Title: _____

Date: _____

Signature: _____

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Exhibit E – Feasibility Study Agreement

This Agreement dated _____, is entered into by and between _____ (“Renewable Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Feasibility Study relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Feasibility Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Renewable Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Feasibility Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Feasibility Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Renewable Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare an Feasibility Study covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Renewable Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof).. The Company will not proceed with this Feasibility Study without the Renewable Interconnecting Customer’s consent to have the other studies conducted.
4. Feasibility Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Renewable Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Renewable Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to NEPOOL 18.4 approval, should such approval be required, is completely at the Renewable Interconnecting Customer’s risk.
5. The Feasibility Study fee of \$_____, as per table 2 in Section 3.5 of the Interconnection Tariff is due in full prior to the execution of the Feasibility Study.
6. In the event this Agreement is terminated for any reason, the Company shall refund to the Renewable Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Renewable Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 10 below.
7. Nothing in this Agreement shall be interpreted to give the Renewable Interconnecting Customer immediate rights to wheel over or interconnect with the Company’s EDS.
8. Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Renewable Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that

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such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

9. Notwithstanding the foregoing, the Renewable Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Renewable Interconnecting Customer. Any construction estimate provide as part of the Feasibility Study cannot be relied upon the by applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith.
10. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
11. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island ~~and the Providence Plantations.~~
12. All amendments to this Agreement shall be in written form executed by both Parties.
13. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
14. This Agreement will remain in effect for a period of up to two years from its effective date.
15. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Renewable Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Renewable Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Renewable Interconnecting Customer: The Narragansett Electric Company ~~d/b/a National Grid:~~

Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	Signature: _____

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Exhibit F – Pre-Impact Study Review Agreement

This Agreement dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Pre-Impact Study Review relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Pre-Impact Study Review pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Pre-Impact Study Review not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Pre-Impact Study Review that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare a Pre-Impact Study Review covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Renewable Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Pre-Impact Study Review without the Renewable Interconnecting Customer’s consent to have the other studies conducted.
4. Pre-Impact Study Review, together with the output of the required Impact Study or ISR DG contemplated in Paragraph 3, shall form the basis for the Renewable Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Renewable Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to NEPOOL 18.4 approval, should such approval be required, is completely at the Renewable Interconnecting Customer’s risk.
5. The Pre-Impact Study Review fee of \$_____, as mutually agreed per Table 2 in Section 3.5 of the Interconnection Tariff, is due in full prior to the execution of the Pre-Impact Study Review.
6. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 10 below.
7. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company’s EDS.
8. Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

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9. Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Interconnecting Customer. Any construction estimate provided as part of the Pre-Impact Study Review cannot be relied upon by applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith.
10. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
11. This Agreement shall be construed and governed in accordance with the laws of the State of Rhode Island ~~and the Providence Plantations.~~
12. All amendments to this Agreement shall be in written form executed by both Parties.
13. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
14. This Agreement will remain in effect for a period of up to two years from its effective date.
15. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this Agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either:
 - (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Interconnecting Customer:

The Narragansett Electric Company ~~d/b/a National Grid.~~

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signature: _____

Signature: _____

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit G – Impact Study or ISRDG Agreement**

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting an Impact Study relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Impact Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Impact Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Impact Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare an Impact Study covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Impact Study without the Interconnecting Customer’s consent to have the other studies conducted.
4. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are not substantial, the Impact Study will determine the scope and cost of the modifications and will, upon Interconnecting Customer’s request, provide an executable ISA. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are substantial, and the Company is unable to provide an executable ISA, the Impact Study will produce an estimate for the known System Modification costs (within $\pm 25\%$) and a Detailed Study Agreement with its estimated cost.
5. Impact Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to ISO Reliability Committee approval,, should such approval be required, is completely at the Interconnecting Customer’s risk.
6. The Impact Study fee of \$ _____ (except as noted below) is due in full prior to the execution of the Impact Study. For a Renewable Interconnecting Customer the ISRDG Study fee is as per Table 2 in Section 3.5 of the Interconnection Tariff.

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7. Final Accounting. If the Customer executes an ISA, then a final accounting of the costs collected under this study agreement shall be performed in accordance with the terms of the ISA. If the Interconnecting Customer does not execute an ISA, the Company, within ninety (90) business days after completion of the study and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between (a) Interconnecting Customer's cost responsibility under this agreement, and (b) Interconnecting Customer's previous aggregate payments to the Company for such study. Costs that are statutorily-based shall not be subject to final accounting or reconciliation under this provision (e.g., statutorily set study fees for the ISR DG), but may be reconciled at any time only if the costs exceed the statutory fee and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in this agreement exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.
8. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 16 below.
9. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company's EDS.
10. Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Interconnecting Customer. Moreover, with respect to an ISR DG provided to a Renewable Interconnecting Customer, the Company may not be held liable or responsible if the actual costs exceed the estimate as long as the estimate was provided in good faith and the interconnection was implemented prudently the Company.

11. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island ~~and the Providence Plantations~~.
13. All amendments to this Agreement shall be in written form executed by both Parties.

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14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
15. This Agreement will remain in effect for a period of up to two years from its effective date.
16. This Agreement may be terminated under the following conditions.
- a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Interconnecting Customer:

The Narragansett Electric Company ~~d/b/a National Grid~~:

Name: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

Signature: _____

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Exhibit H – Detailed Study Agreement

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting an Detailed Study relative to the Standard process as defined in Section 1 and outlined in Section 3 of the Interconnection Tariff. This Detailed Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Detailed Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Detailed Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other Affected Systems identified by the Impact Studies, and no single Party is in a position to prepare a Detailed Study covering all Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the System Modifications of the interconnection request on other Affected Systems. The Interconnecting Customer will be directly responsible to the Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Detailed Study without the Interconnecting Customer’s consent to have the other studies conducted.
4. The Company will provide an estimate of the costs of the System Modifications required as a result of the Detailed Study.
5. The Detailed Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to ISO-NE Reliability Committee approval, should such approval be required, is completely at the Interconnecting Customer’s risk.
6. The Detailed Study fee of \$ _____ (except as noted below) is due in full prior to the execution of the Detailed Study. If the anticipated cost exceeds \$25,000, the Interconnecting Customer is eligible for a payment plan, including a payment and construction schedule with milestones for both parties. At the request of the Interconnecting Customer, the Company will break the costs into phases in which the costs will be collected prior to Company expenditures for each phase of the study. The payment plan will be attached as an exhibit to the Detailed Study Agreement.
7. The Company will, in writing, advise the Interconnecting Customer in advance of any cost increase for work to be performed up to a total amount of increase of 10% only. All costs that exceed the 10% increase cap will be borne solely by the Company. Any such changes to the Company’s costs for the work shall be subject to the Interconnecting Customer’s consent. The Interconnecting Customer shall, within thirty (30) days of the Company’s notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.

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8. Final Accounting. If the Customer executes an ISA, then a final accounting of the costs collected under this study agreement shall be performed in accordance with the terms of the ISA. If the Interconnecting Customer does not execute an ISA, the Company within ninety (90) business days after completion of the study and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report that includes a comparable level of detail and in similar categories as the cost estimate initially provided by the Company, specifying any difference between (a) Interconnecting Customer's cost responsibility under this agreement, and (b) Interconnecting Customer's previous aggregate payments to the Company for such study. Costs that are statutorily-based shall not be subject to final accounting or reconciliation under this provision, but may be reconciled at any time only if the costs exceed the statutory fee and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in this agreement exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.
9. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 16 below.
10. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company's EDS.
11. Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to information supplied by the Interconnecting Customer.
12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island ~~and the Providence Plantations~~.
13. All amendments to this Agreement shall be in written form executed by both Parties.
14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
15. This Agreement will remain in effect for a period of up to two years from its effective date.
16. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

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Interconnecting Customer:

Name: _____

Title: _____

Date: _____

Signature: _____

The Narragansett Electric Company ~~d/b/a National Grid:~~

Name: _____

Title: _____

Date: _____

Signature: _____

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit I – Interconnection Service Agreement**

1. **Parties.** This Interconnection Service Agreement (“Agreement”), dated as of _____ (“Effective Date”) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and, _____ a _____ corporation with a principal place of business at _____ (“Interconnecting Customer”). (The Company and Interconnecting Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff which is hereby incorporated by reference.
2. **Basic Understandings.** This Agreement provides for parallel operation of an Interconnecting Customer’s Facility with the Company EDS to be installed and operated by the Interconnecting Customer at: _____ (Facility name, address, and end-use customer account number, if applicable). A description of the Facility is located in Attachment 2. If the Interconnecting Customer is not the Customer, an Agreement between the Company and the Company’s Retail Customer, attached as Exhibit J to the Interconnection Tariff, must be signed and included as an Attachment to this Agreement.

The Interconnecting Customer has the right to operate its Facility in parallel with the Company EDS immediately upon successful completion of the protective relays testing as witnessed by the Company and receipt of written notice from the Company that interconnection with the Company EDS is authorized (“Authorization Date”).
3. **Term.** This Agreement shall become effective as of the Effective Date. The Agreement shall continue in full force and effect until terminated pursuant to Section 4 of this Agreement.
4. **Termination.**
 - 4.1 This Agreement may be terminated under the following conditions.
 - 4.1.1 The Parties agree in writing to terminate the Agreement.
 - 4.1.2 The Interconnecting Customer may terminate this agreement at any time by providing sixty (60) days written notice to Company.
 - 4.1.3 The Company may terminate this Agreement upon the occurrence of an Event of Default by the Interconnecting Customer as provided in Section 18 of this Agreement.
 - 4.1.4 The Company may terminate this Agreement if the Interconnecting Customer either: (1) fails to energize the Facility within 12 months of the Authorization Date; or, (2) permanently abandons the Facility. Failure to operate the Facility for any consecutive 12 month period after the Authorization Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.
 - 4.1.5 The Company, upon 30 days’ notice, may terminate this Agreement if there are any changes in Commission regulations or state law that have a material adverse effect on the Company’s ability to perform its obligations under the terms of this Agreement.
 - 4.2 **Survival of Obligations.** The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. Sections 5, 10, 12, 13, and 25 as it relates to disputes pending or for wrongful termination of this Agreement shall survive the termination of this Agreement.
 - 4.3 **Related Agreements.** Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.
5. **General Payment Terms.** The Interconnecting Customer shall be responsible for the System Modification costs and payment terms identified in Attachment 3 of this Agreement and any approved cost increases

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pursuant to the terms of the Interconnection Tariff. If the system modifications exceed \$25,000, Attachment 3 will include a payment and construction schedule for both parties. Interconnecting Customers shall be directly responsible to any Affected System operator for the costs of any system modifications necessary to the Affected Systems.

5.1 Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any expected cost increase for work to be performed up to a total amount of increase of 10% only. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.

5.2 Final Accounting. The Company -within ninety -(90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the Interconnection Service Agreement and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, ~~;~~ and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g., statutorily set study fees for the ISRDG), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within ~~forty-five~~ (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this applicable agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within ~~forty-five~~ (45) days of the provision of such final accounting report.

6. Operating Requirements

6.1 General Operating Requirements. Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EDS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of the Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference. Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EDS or if operation of the Facility could cause damage to Company EDS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EDS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating

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through the Company EDS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EDS, and outages on the Company EDS. If the Interconnecting Customer demonstrates that the Company EDS is adversely affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Agreement. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's EDS, personnel, and other persons from damage and injury.

6.4 Access. The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives. Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment. If necessary for the purposes of the Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under the Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information. The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EDS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.6 in the Interconnection Tariff.

7. Disconnection

7.1 Temporary Disconnection

7.1.1 Emergency Conditions. Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EDS or to the electric systems of others to which the Company EDS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EDS. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

7.1.2 Routine Maintenance, Construction and Repair. Company shall have the right to disconnect the Facility from the Company EDS when necessary for routine maintenance, construction and repairs on the Company EDS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the

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PCC, the Interconnecting Customer will provide a minimum of seven days' notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.

7.1.3 Forced Outages. During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EDS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EDS without such notice.

7.1.4 Non-Emergency Adverse Operating Effects. The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EDS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.

7.1.5 Modification of the Facility. Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.

7.1.6 Re-connection. Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EDS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection. The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

7.2.1 The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

- 8. Metering.** Metering of the output from the Facility shall be conducted pursuant to the terms of the Interconnection Tariff.
- 9. Assignment.** Except as provided herein, Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without the Company's written consent. Any assignment that the Interconnecting Customer purports to make without the Company's written consent shall not be valid. The Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, the Company's consent will not be required for any assignment made by the Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption. The Interconnecting Customer must sign a consent agreement to complete the assignment to a new system owner and execute Exhibit I when the Interconnecting Customer is still going to be the retail delivery customer or property owner.
- 10. Confidentiality.** Company shall maintain confidentiality of all Interconnecting Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved by the Interconnecting Customer in the Simplified or Expedited/Standard Application form or otherwise.

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11. Insurance Requirements.**11.1 General Liability.**

11.1(a) In connection with Interconnecting Customer's performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:

- i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than five (5) MW.
- ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
- iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
- iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.

11.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. However, the Company recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.

11.1(c) Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.

11.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 11.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.

11.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.

11.1(f) In the event the State of Rhode Island ~~and the Providence Plantations~~, or any other governmental subdivision thereof subject to the claims limits of ~~Rhode Island -General- Laws-~~ Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of ~~Rhode Island -General- Laws-~~ Chapter 9-31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of ~~Rhode Island -General- Laws-~~ Chapter 9-31 by the Governmental Entity.

11.2 Insurer Requirements and Endorsements. All required insurance shall be carried by reputable insurers qualified to underwrite insurance in Rhode Island having a Best Rating of "A-". In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Company prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

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11.3 Evidence of Insurance. Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with the Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.4 All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued, updated and submitted yearly to the following:

The Narragansett Electric Company~~National Grid~~
Attention: Risk Management
300 Erie Blvd West
Syracuse, NY 13202

- 12. Indemnification.** Except as precluded by the laws of the State of Rhode Island~~and the Providence Plantations~~, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.
- 13. Limitation of Liability.** Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 14. Amendments and Modifications.** No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.
- 15. Permits and Approvals.** Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the Facility. Prior to the construction of System Modifications the interconnecting customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the Facility the Customer will notify the Company that it has obtained all permits necessary. Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.
- 16. Force Majeure.** For purposes of this Agreement, "Force Majeure Event" means any event:
- a. that is beyond the reasonable control of the affected Party; and

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- b. that the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lighting, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

17. Notices.

- 17.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company:

The Narragansett Electric Company~~National Grid~~

Attention: _____

Distributed Generation

40 Sylvan Road

Waltham, MA 02451-1120~~280 Melrose Street~~

Providence, RI 02907

Phone: _____

E-mail: _____

Distributed.Generation@nationalgrid.com~~CAP@rienergy.com~~

If to Interconnecting Customer:

Name: _____

Address: _____

City: _____

Phone: _____

E-mail: _____

- 17.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.

- 17.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

18. Default and Remedies

- 18.1 **Defaults.** Any one of the following shall constitute "An Event of Default."

- (i) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, and such failure shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party, or
- (ii) One of the Parties fails to comply with any other provision of this Agreement or breaches any

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representation or warranty in any material respect and fails to cure or remedy that default or breach

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within sixty (60) days after notice and written demand by the affected Party to cure the same or such longer period reasonably required to cure (not to exceed an additional 90 days unless otherwise mutually agreed upon), provided that the defaulting Party diligently continues to cure until such failure is fully cured.

18.2 Remedies. Upon the occurrence of an Event of Default, the affected Party may at its option, in addition to any remedies available under any other provision herein, do any, or any combination, as appropriate, of the following:

- a. Continue to perform and enforce this Agreement;
- b. Recover damages from the defaulting Party except as limited by this Agreement;
- c. By written notice to the defaulting Party terminate this Agreement;
- d. Pursue any other remedies it may have under this Agreement or under applicable law or in equity.

19. Entire Agreement. This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Tariff. Together the Agreement and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.

20. Supercedence. In the event of a conflict between this Agreement, the Interconnection Tariff, or the terms of any other tariff, Exhibit or Attachment incorporated by reference, the terms of the Interconnection Tariff, as the same may be amended from time to time, shall control. In the event that the Company files a revised tariff related to interconnection for Commission approval after the effective date of this Agreement, the Company shall, not later than the date of such filing, notify the signatories of this Agreement and provide them a copy of said filing.

21. Governing Law. This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island ~~and the Providence Plantations~~ without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

22. Non-waiver. None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

23. Counterparts. This Agreement may be signed in counterparts.

24. No Third Party Beneficiaries. This Agreement is made solely for the benefit of the Parties hereto. Nothing in the Agreement shall be construed to create any rights in or duty to, or standard of care with respect to, or any liability to, any person not a party to this Agreement.

25. Dispute Resolution. Unless otherwise agreed by the Parties, all disputes arising under this Agreement shall be resolved pursuant to the Dispute Resolution Process set forth in the Interconnection Tariff.

26. Severability. If any clause, provision, or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section, shall not affect any of the remaining provisions herein.

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27. Signatures. IN WITNESS WHEREOF, the Parties hereto have caused two (2) originals of this Agreement to be executed under seal by their duly authorized representatives.

<p>Interconnecting Customer</p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Signature: _____</p>	<p><u>The Narragansett Electric Company d/b/a National Grid</u></p> <p>Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Signature: _____</p>
---	---

The following attachments would be developed and included as appropriate for each specific Interconnection Service Agreement:

Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling

Attachment 2: Description of System Modifications

Attachment 3: Costs of System Modifications and Payment Terms

Attachment 4: Special Operating Requirements, if any

Attachment 5: Agreement between the Company and the Company's Retail Delivery Service Customer (to be signed by the Company's retail delivery service customer where DG installation and interconnection will be placed, when the retail delivery service customer is not the owner and/or operator of the distributed generation facility -- see Exhibit J of the Interconnection Tariff)

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Exhibit J – Agreement between the Company and the Company’s Retail Delivery Service Customer or Property Owner

(Note: this Agreement is to be signed by the Company’s retail delivery service customer or property owner where the distributed generation installation and interconnection will be placed, when the retail delivery service customer or property owner is not the owner and/or operator of the distributed generation facility.)

Parties. This Agreement between the Company and the Company’s Retail Delivery Service Customer or Property Owner (“Agreement”), dated as of _____ (“Effective Date” of this Agreement) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and _____, a _____ corporation with a principal place of business at _____ (“Customer”). (The Company and Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff, which is hereby incorporated by reference.

1. SCOPE, PURPOSE, AND RELATED AGREEMENTS

This Agreement, in conjunction with the Interconnection Service Agreement identified in Section 2.2, allows the Interconnecting Customer (as identified in Section 2.3) to utilize Customer’s electrical facilities to interconnect and operate the Facility in Parallel with Company’s EDS. The purpose of the Facility is to serve the Customer’s electrical loads at the location identified in Section 2.1

2. SUMMARY AND DESCRIPTION OF THE PARTIES AND LOCATION OF GENERATING FACILITY

2.1 The name and address used by Company to locate the Customer or electric service account where the Facility interconnects with Company’s EDS is: _____

Attention: _____
 Address: _____
 City: _____
 Phone: _____
 FAX: _____
 E-mail: _____
 Company Account Number: _____

2.2 The Facility shall be Interconnected with the Company’s EDS pursuant to an Interconnection Service Agreement between Company and Interconnecting Customer, its successors or assigns (“Interconnecting Customer”) dated _____ (“Interconnection Service Agreement”).

2.3 Interconnecting Customer’s contact information: _____

Attention: _____
 Address: _____
 City: _____
 Phone: _____
 E-mail: _____
 FAX: _____

3. CUSTOMER ACKNOWLEDGMENT AND OBLIGATIONS

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- 3.1 Customer acknowledges that it has authorized the Facility to be installed and operated by Interconnecting Customer in accordance with Company's Interconnection Tariff in or adjacent to Customer's premises. Such Facility shall be used to serve all or a portion of Customer's electrical loads associated with the electric service provided by Company at the location identified in Section 2.1 above. Customer shall be solely responsible for the terms of any agreement between it and Interconnecting Customer.
- 3.2 Customer shall be solely responsible for any charges incurred under Company's electric service tariffs, and any other regulations and laws governing the provision of electric services. Customer acknowledges that it has been made aware of the charges and conditions related to the operation of the Facility and that the performance or lack of performance of the Facility may affect the rates and charges billed by Company for the electric power delivered to Customer. Copies of such tariffs are available by request to Company or on the Company's web site.
- 3.3 Any amount to be paid, or refunded to, Company for the services received by Customer as a result of the Interconnecting Customer failing to operate the Facility in accordance with the terms of the representations and warranties made under the Interconnection Service Agreement shall be paid to Company by the Customer in accordance with Company's electric tariffs.
- 3.4 Customer shall provide access as necessary to the Customer's premises for Company personnel, contractors or agents to perform Company's duties under the Interconnection Tariff. The Company shall have access to the disconnect switch of the Facility at all times.

4. TERMS AND TERMINATION

- 4.1 This Agreement shall become effective as of the date referenced in the preamble. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
 - (a) The Parties agree in writing to terminate the Agreement.
 - (b) At 12:01 A.M. on the day following the date the Customer's electric service account through which the Generating Facility is interconnected to Company's EDS is closed or terminated.
 - (c) At 12:01 A.M. on the 31st day following the date the Interconnection Service Agreement is terminated.
 - (d) At 12:01 A.M. on the 61st day after Company provides written Notice pursuant to Section 6 below to the Customer that Customer is not in compliance with the terms of this Agreement.

5. LIMITATION OF LIABILITY

- 5.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 5.2 Company shall not be liable to Customer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Customer resulting from existence of, operation of, or lack of operation of the Facility, or termination of the Interconnection Service Agreement, provided such termination is consistent with the terms of the Interconnection Service Agreement, except to the extent such loss or damage is caused by the negligence or willful misconduct of the Company.

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6. NOTICES

- 6.1 Any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company: The Narragansett Electric Company~~National Grid~~

Attention: _____

Distributed Generation

40 Sylvan Rd

Waltham, MA 02451-1120~~280 Melrose Street~~

Providence, RI 02907

E-mail: ~~Distributed.Generation@nationalgrid.com~~CAP@rienergy.com

If to Customer: _____

Attention: _____

Address: _____

City: _____

Phone: _____

Fax: _____

E-mail: _____

- 6.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 6.1.
- 6.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party’s Notice to the other.

7. RELEASE OF DATA

Company shall maintain confidentiality of all Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved in writing by the Customer.

8. ASSIGNMENT

Except as provided herein, Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company’s written consent. Any assignment Customer purports to make without Company’s written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Customer’s assignment of this Agreement. Notwithstanding the above, Company’s consent will not be required for any assignment made by Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Customer will not be relieved of its obligations under this Agreement unless, and

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until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption.

9. NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

10. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF COMPANY'S TARIFFS, DEFINED TERMS

- 10.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island ~~and the Providence Plantations~~ without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 10.2 The interconnection and services provided under this Agreement shall at all times be subject to terms and conditions set forth in the tariffs applicable to the electric service provided by Company. Copies of such tariffs are available at the Company's web site or by request to Company and are incorporated into this Agreement by this reference.
- 10.3 Notwithstanding any other provisions of this Agreement, Company shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service or any agreement relating thereto.
- 10.4 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in the Interconnection Tariff.

11. AMENDMENTS AND MODIFICATION

This Agreement can only be amended or modified by a written agreement signed by both Parties.

12. ENTIRE AGREEMENT

This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Service Agreement and the Interconnection Tariff. Together this Agreement, the Interconnection Service Agreement, and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.

13. INDEMNIFICATION

Except as precluded by the laws of the State of Rhode Island ~~and the Providence Plantations~~, Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.

14. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed under seal by their duly authorized representatives.

Retail Delivery Service Customer or Property Owner
(Electric account holder)

The Narragansett Electric Company
~~d/b/a National Grid~~

Name: _____
Title: _____
Date: _____

Signature: _____

Name: _____
Title: _____
Date: _____

Signature: _____

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R.I.P.U.C. No. 2258
Canceling R.I.P.U.C. No. 2244

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1.0 Introduction

1.1 Applicability

- I. This document (“Interconnection Tariff”) describes the process and requirements for an Interconnecting Customer to connect a power-generating facility to the Company’s electric distribution system, referred to as the Electric Distribution System (“Company EDS”)¹, including discussion of technical and operating requirements, metering and billing options, and other matters. Projects greater than 1 MW will likely require some level of review by the Company’s transmission provider, New England Power Company (“NEP”), in accordance with all applicable ISO-NE tariffs, rules and procedures.
- II. The procedure for momentary paralleling to the Company EDS with back-up generation is described within Section 4.0 Interconnection Requirements.
- III. If the Facility will always be isolated from the Company’s EDS (i.e., it will never operate in parallel to the Company’s EDS), then this Interconnection Tariff does not apply.
- IV. References in this Interconnection Tariff to the term “Interconnecting Customer,” as such term is defined herein, shall be deemed to include “Renewable Interconnecting Customer,” as such term is defined herein, except where otherwise explicitly stated in this Interconnection Tariff.

1.2 Definitions

The following words and terms shall be understood to have the following meanings when used in this Interconnection Tariff:

Affected System: Any transmission or distribution electric power system, other than the Company EDS, for which the stability, reliability or operating characteristics may be significantly affected by the proposed Facility. Affected System includes the transmission system in Rhode Island that is owned by the Narragansett Electric Company but operated on its behalf by the New England Power Company (“NEP”).

Affected System Operator (“ASO”): A person or entity operating an Affected System.

Affected System Owner: A person or entity owning an Affected System.

Affected System Operator Study (“ASO Study”): An engineering study conducted by or with the oversight of an Affected System Operator and/or an Affected System Owner for the purposes of determining whether a Facility may have a significant effect on the stability, reliability or operating characteristics of the Affected System and, if necessary, to determine the scope of the required modifications to the Affected System and/or the Facility to provide the requested interconnection service.

¹ “Company EDS” refers to the distribution assets owned and operated by the Company, consistent with the Institute of Electrical and Electronics Engineers (IEEE) Standard for Interconnecting Distributed Resources with Electric Power System 1547-2003.

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Affiliate: A person or entity controlling, controlled by or under common control with a Party.

Anti-Islanding: Describes the ability of a Facility to avoid unintentional islanding through some form of active control technique.

Application: The notice provided by the Interconnecting Customer to the Company in the form shown in Exhibits A and C, which initiates the interconnection process.

Area EDS: The Company EDS. This term is used in the Institute of Electrical and Electronics Engineers (“IEEE”) Standard 1547-2003, “IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems” (“IEEE Standard 1547-2003”).

Commission: Rhode Island Public Utilities Commission.

Company: The Narragansett Electric Company .

Company EDS: The electric distribution power system owned, controlled or operated by the Company used to provide distribution service to its Customers.

Customer: Company’s retail customer; host site or premises, may be the same as Interconnecting Customer or Renewable Interconnecting Customer.

Detailed Study: The final phase of engineering study, if necessary, conducted by the Company to determine substantial System Modifications to its EDS, resulting in project cost estimates for such modifications that will be required to provide the requested interconnection service.

DG: Distributed Generation.

DR: The Facility. This term is used in IEEE Standard 1547-2003.

Energy Storage System (“ESS”): A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time. For purposes of this Interconnection Tariff, an Energy Storage System can be considered part of a Facility in whole.

Expedited Process: As described in Section 3.2, process steps for Listed Facilities from initial application to final written authorization, using a set of technical screens to determine grid impact.

Export Capacity: The maximum Nameplate Rating of a Facility in alternating current (“AC”), except where such capacity is limited by an acceptable means as identified in Section 4.3 of this Interconnection Tariff, or as permitted by the Company.

Facility: The sum of all equipment that is owned and/or operated by the Interconnecting Customer and located on the Customer’s side of the PCC, that is used to generate, store, monitor, and control electric power, which the Interconnecting Customer requests to interconnect to the Company EDS.

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Feasibility Study: A high-level project assessment that includes an estimate of the cost of interconnecting a Renewable Distributed Generation Resource to the distribution system that would be assessed on the applicant for an interconnection. Such estimate is not based on any engineering study but is based on past experience and judgment of the Company, taking into account the information in the application, the location of the interconnection, and general knowledge of the distribution and transmission system. Such estimate cannot be relied upon by the applicant for the purpose of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith. The feasibility study estimate shall be a range within which the Company believes the interconnection costs are likely to be and shall include a disclaimer that explains the nature of the estimate.

FERC: Federal Energy Regulatory Commission.

Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Impact Study: The engineering study conducted by the Company under the Standard Process to determine the scope of the required modifications to its EDS and/or the Facility to provide the requested interconnection service. Unless otherwise noted in the Impact Study, the cost estimate provided will be valid for 120 business days from delivery of the study.

Impact Study for Renewable DG (“ISR DG”): An engineering study conducted by the Company that includes an estimate of the cost of interconnecting a Renewable Distributed Generation Resource to the distribution system that would be assessed on the applicant for an interconnection that is based on an engineering study of the details of the proposed generation project. Such estimate generally will have a probability of accuracy of plus or minus twenty-five percent (25%). Such an estimate may be relied upon by the applicant for purposes of determining the expected cost of interconnection, but the Company may not be held liable or responsible if the actual costs exceed the estimate as long as the estimate was provided in good faith and the interconnection was implemented prudently by the Company.

Inadvertent Export: shall mean the unscheduled or unintended export of power from a Facility, exceeding a specified magnitude and for a limited duration. Inadvertent Export does not include fault current exported by the Facility due to a fault on the Company EDS.

Initial Review: A high level review of standard application where the Company will provide pertinent information that includes existing peak loading on the lines in the Facility’s general vicinity, configuration of distribution lines, and if any additional study is required.

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In-Service Date: The date on which the Facility and System Modifications (if applicable) are complete and ready for service, even if the Facility is not placed in service on or by that date.

Interconnecting Customer: Entity that owns and/or operates the Facility interconnected to the Company EDS, with legal authority to enter into agreements regarding the construction or operation of the Facility.²

Interconnection Service Agreement (“ISA”): An agreement for interconnection service, the form of which is provided in Exhibit I, between the Interconnecting Customer and the Company. The agreement also includes any amendments or supplements thereto entered into by the Interconnecting Customer and the Company.

Interconnection Technical Standards Committee (“ITSC”): A group of representatives from the utility, distributed generation providers and other stakeholder groups, who have experience in the technical aspects of interconnection, that meets regularly to discuss and make recommendations related to the technical standards for DG interconnection. See Section 9.4 for details.

Islanding: A situation where electrical power remains in a portion of an electrical power system when the Company’s transmission or distribution system has ceased providing power for whatever reason (emergency conditions, maintenance, etc.). Islanding may be intentional, such as when certain segregated loads in a Customer’s premises are provided power by a Facility after being isolated from the Company EDS after a power failure.

Unintentional Islanding, especially past the PCC, is to be strictly avoided.

ISO-New England, Inc. (“ISO-NE”): The Independent System Operator established in accordance with the NEPOOL Agreement and applicable FERC approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

Isolated: The state of operating the Facility when electrically disconnected from the Company EDS on the Interconnecting Customer’s side of the PCC.

Limited Export: The exporting capability of the Facility that is maintained to be less than the Nameplate Rating.

Local EDS: The customer premises within which are contained the Facility. This term is used in the IEEE Standard 1547-2003.

Listed: A Facility that has successfully passed all pertinent tests to conform with IEEE 1547.1.

² An entity which owns the Facility interconnected to the Company EDS solely as part of a financing arrangement, which could include the acquisition of the tax credits related to the Facility, but is neither the Customer nor the operator of that Facility, shall not be considered the Interconnecting Customer hereunder.

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Metering Point: For meters that do not use instrument transformers, the point at which the billing meter is connected. For meters that use instrument transformers, the point at which the instrument transformers are connected.

Nameplate Rating: The individual or sum total maximum continuous power output (AC) capacity of all of a Facility's constituent generating units and/or Energy Storage Systems as identified on the manufacturer nameplate, regardless of whether it is limited by any approved means.

NEPOOL: New England Power Pool.

Net Metering: Customers of the Company who, pursuant to the provisions of the Company's Net Metering Provision, R.I.P.U.C. No. 2075, as amended and superseded from time to time, are eligible to receive Renewable Generation Credits and Excess Renewable Generation Credits, as applicable, as defined in R.I.P.U.C. No. 2075, Section II.

Network Distribution System (Area or Spot): Electrical service from an EDS consisting of one or more primary circuits from one or more substations or transmission supply points arranged such that they collectively feed secondary circuits serving one (a spot network) or more (an area network) Interconnecting Customers.

Non-Islanding: Describes the ability of a Facility to avoid unintentional islanding through the operation of its interconnection equipment.

NPCC: Northeast Power Coordinating Council.

NRTL: Nationally Recognized Testing Laboratory.

On-Site Generating Facility: A class of Interconnecting Customer-owned generating Facilities with peak capacity as specified in R.I.P.U.C. No. 2074, Qualifying Facilities Power Purchase Rate.

Parallel: The state of operating the Facility when electrically connected to the Company EDS (sometimes known as grid-parallel).

Parties: The Company and the Interconnecting Customer.

Pre-Impact Study Review: A high-level engineering review for larger projects (any single project or multiple projects submitted concurrently by the same applicant in the same area with an aggregate nameplate capacity >1 MW) conducted by the Company prior to an Impact Study or ISRDG under the Standard Process to determine the scope of the required modifications to its EDS and/or the Facility to provide the requested interconnection service. A Pre-Impact Study Review is not required.

Point of Common Coupling ("PCC"): The point where the Interconnecting Customer's local

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electric power system connects to the Company EDS, such as the electric power revenue meter or premises service transformer. See the Company for the location at a particular Interconnecting Customer site.

Point of Delivery: A point on the Company EDS where the Interconnecting Customer makes capacity and energy available to the Company. The Point of Delivery shall be specified in the Interconnection Service Agreement.

Point of Receipt: A point on the Company EDS where the Company delivers capacity and energy to the Interconnecting Customer. The Point of Receipt shall be specified in the Interconnection Service Agreement.

Pre-application Report: Shall mean, as described in Section 3.2, a non-binding report of certain information specific to a proposed Facility interconnection location provided to the Interconnecting Customer by the Company prior to the Application.

Protective Function: The equipment, hardware and/or software in a Facility (whether discrete or integrated with other functions) whose purpose is to protect against conditions that, if left uncorrected, could result in harm to personnel, damage to equipment, loss of safety or reliability, or operation outside pre-established parameters required by the Interconnection Service Agreement.

Qualifying Facility: A generation Facility that has received certification as a Qualifying Facility from the FERC in accordance with the Federal Power Act, as amended by the Public Utility Regulatory Policies Act of 1978.

Radial Distribution Circuit: Electrical service from an EDS consisting of one primary circuit extending from a single substation or transmission supply point arranged such that the primary circuit serves Interconnecting Customers in a particular local area.

Renewable Distributed Generation Resource: A Facility which is a renewable distributed generation project that, as contemplated, meets the eligibility requirements for net metering contained within Rhode Island General Laws Title 39 or the eligibility requirements for a standard contract contained within Rhode Island General Laws Title 39.

Renewable Energy Resource: Those resources set forth in Rhode Island General Laws Section 39-26-5.

Renewable Interconnecting Customer: Entity that owns and/or operates the Renewable Distributed Generation Resource interconnected to the Company EDS, with legal authority to enter into agreements regarding the construction or operation of the Facility. The term “Renewable Interconnecting Customer” as used in the Interconnection Tariff shall be deemed to be synonymous with the term “interconnecting renewable energy customer” as used in Rhode Island General Laws Section 39-26.3-4.1.

Screen(s): Criteria by which the Company will determine if a proposed Facility’s installation

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will adversely impact the Company EDS in the Simplified and Expedited Processes as set forth in Section 3.0.

Simplified Process: As described in Section 3.1, process steps from initial application to final written authorization for certain inverter-based Facilities of limited scale and minimal apparent grid impact.

Standard Process: As described in Section 3.3, process steps from initial application to final written authorization for Facilities that do not qualify for Simplified or Expedited treatment.

Supplemental Review: Additional engineering study to evaluate the potential impact of the Facility on the Company EDS so as to determine any requirements for processing the application through the Expedited Process.

System Improvement: Economically justified upgrades determined by the Company in the Facility study phase for capital investments associated with improving the capacity or reliability of the EDS that may be used along with System Modifications to serve an Interconnection Customer.

System Modification: Modifications or additions to Company facilities that are integrated with the Company EDS for the benefit of the Interconnecting Customer.

Unintentional Islanding: A situation where the electrical power from the Facility continues to supply a portion of the Company EDS past the PCC when the Company's transmission or distribution system has ceased providing power for whatever reason (emergency conditions, maintenance, etc.).

Witness Test: The Company's right to witness the commissioning testing. Commissioning testing is defined in IEEE Standard 1547-2003.

1.3 Forms and Agreements

The following documents for the interconnection process are included as Exhibits:

1. Interconnection Service Agreement for Expedited and Standard Process (Exhibit I) referencing Attachments 1–6 (Attachments 1–5 to be developed by the Company and included as appropriate for each specific Interconnection Service Agreement) as follows:

- | | |
|---------------|--|
| Attachment 1: | Definitions (Section 1.2) |
| Attachment 2: | Description of Facilities, including demarcation of PCC |
| Attachment 3: | Description of System Modifications |
| Attachment 4: | Costs of System Modifications and Payment Terms |
| Attachment 5: | Special Operating Requirements, if any |
| Attachment 6: | Agreement between the Company and the Company's Retail Customer or Property Owner (to be signed by the Company's retail customer or property owner where DG installation and interconnection will be |

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placed, when retail customer or property owner is not the owner and/or operator of the distributed generation facility -- Exhibit J)

2. Application forms:
 - a. Simplified Process (Facilities meeting the requirements of Section 3.1) application form and service agreement (Exhibit A)
 - b. Generating Facility Expedited/Standard Pre-Application Report form (Exhibit B)
 - c. Expedited and Standard Process application form (Exhibit C)
3. Supplemental Review Agreement for those projects which have failed one or more screens in the Expedited Process (Exhibit D)
4. Feasibility Study Agreement (Exhibit E)
5. Pre-Impact Study Review Agreement (Exhibit F)
6. Impact Study Agreement or ISR DG Agreement under the Standard Process (Exhibit G)
7. Detailed Study Agreement for the more detailed study under the Standard Process which requires substantial System Modifications (Exhibit H)

2.0 Basic Understandings

Customer intends to install a Facility on the Customer's side of the PCC that will be connected electrically to the Company EDS and operate in parallel, synchronized with the voltage and frequency maintained by the Company during all operating conditions. It is the responsibility of the Interconnecting Customer to design, procure, install, operate, and maintain all necessary equipment on its property for connection to the Company EDS. The Customer and the Company shall enter into an Interconnection Service Agreement to provide for parallel operation of a Customer's Facility with Company EDS. A form of this agreement is attached as Exhibit I to this Interconnection Tariff. The Interconnection Service Agreement includes details regarding ownership of the proposed Facility. Except as provided herein, the Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company's written consent. Any assignment Interconnecting Customer purports to make without Company's written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, the Company's consent will not be required for any assignment made by Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events except a completed Transfer of Ownership approved by the Company, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption. The Interconnecting Customer must sign a consent agreement to complete the assignment to a new system owner and execute Exhibit I when the Interconnecting Customer is still going to be the retail delivery customer or property owner.

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If the Interconnecting Customer or Renewable Interconnecting Customer is not the Customer, an Agreement between the Company and the Company's Customer must be signed and included as an attachment to the Interconnection Service Agreement; a form of this agreement is attached as Exhibit J.

The interconnection of the Facility with the Company EDS must be reviewed for potential impact on the Company EDS under the process described in Section 3.0 and meet the technical requirements in Section 4.0, and must be operated as described under Section 6.0. In order to meet these requirements, an upgrade or other modifications to the Company EDS may be necessary. Subject to the requirements contained in this Interconnection Tariff, the Company or its Affiliate shall modify the Company EDS accordingly. Unless otherwise specified, the Company will build and own, as part of the Company EDS, all facilities necessary to interconnect the Company EDS with the Facility up to and including terminations at the PCC. The Interconnecting Customer shall pay all System Modification costs as set forth in Section 5.0.

A Renewable Interconnecting Customer has the initial option of having the Company do a Feasibility Study prior to continuing on to an ISR DG.

The Interconnecting Customer should consult the Company before designing, purchasing and installing any generation equipment, in order to verify the nominal utilization voltages, frequency, and phase characteristics of the service to be supplied, the capacity available, and the suitability of the proposed equipment for operation at the intended location. Any proposed Facility 250 kW and above must request and receive a Pre-Application Report prior to submitting an Application.

Attempting to operate a generator at other than its nameplate characteristics may result in unsatisfactory performance or, in certain instances, injury to personnel and/or damage to equipment. The Interconnecting Customer will be responsible for ascertaining from the Company, and the Company will diligently cooperate in providing, the service characteristics of the Company EDS at the proposed PCC. The Company will in no way be responsible for damages sustained as a result of the Interconnecting Customer's failure to ascertain the service characteristics at the proposed PCC.

The crossing of a public way by the Interconnecting Customer with any equipment not owned by the Company is prohibited due to public safety reasons. The Company, however, will work with local jurisdictions and/or any Interconnecting Customer(s) seeking to connect their proposed Facility to end users in a microgrid and other solutions.

The Facility should operate in such a manner that does not compromise or conflict with, the safety or reliability of the Company EDS. The Interconnecting Customer should design its equipment in such a manner that faults or other disturbances on the Company EDS do not cause damage to the Interconnecting Customer's equipment.

Authorization to interconnect will be provided once the Interconnecting Customer has met all terms of the interconnection process as outlined below.

This Interconnection Tariff does not cover general distribution service needed to serve the Interconnecting Customer. Please refer to the Company's Terms and Conditions for Distribution

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Service.

3.0 Process Overview

There are four basic paths for interconnection of the Interconnecting Customer's Facility in Rhode Island. They are described below and detailed in Figures 1 and 2 with their accompanying notes. Tables 1 and 2, respectively, describe the timelines and fees for these paths. Unless otherwise noted, the Total Maximum Days from the completed Application through the delivery of an executable ISA set forth in Table 1 of the Interconnection Tariff represents the aggregate processing time allowed for the Company to review an Application for completeness, complete studies (where necessary) and send an executable Interconnection Service Agreement, and may be extended by mutual agreement or otherwise affected, suspended, extended, or interrupted as specified in this Tariff.

Unless otherwise noted, for Renewable Interconnecting Customer Applications received on or after July 1, 2017, the Total Maximum Days for System Modifications set forth in Table 1 of the Interconnection Tariff represents the aggregate time allowed, commencing on the date of Company's receipt of a Renewable Interconnecting Customer's executed ISA, for the Company to complete the System Modifications, and may be extended by mutual agreement or otherwise affected, suspended, extended, or interrupted as specified in this Tariff.

1. **Simplified** – This is for Listed inverter-based Facilities with a power rating of 25 kW or less, and located on radial EDSs under certain conditions.
2. **Expedited** – This is for Listed Facilities that pass certain pre-specified screens on a radial EDS.
3. **Standard** – This is for all facilities not qualifying for either the Simplified or Expedited interconnection processes on radial and spot network EDSs, and for all Facilities on area network EDSs.
4. **Renewable Interconnecting Customer** – This process is for Customers who are requesting either a Feasibility Study or an ISRDG for renewable Facilities. For these requests, the processes above will be followed except where outlined in the descriptions below, any references to Interconnecting Customer should be construed to be Renewable Interconnecting Customer for this purpose.

All proposed new sources of electric power without respect to Facility ownership, dispatch control, or prime mover that plan to operate in parallel with the Company EDS must submit a completed application and pay the appropriate Application Fee to the Company with which it wishes to interconnect. For those projects where a Renewable Interconnecting Customer requests either a Feasibility or an ISRDG study, the Renewable Interconnecting Customer will pay the Feasibility Study fee in lieu of the Application Fee. The application will be acknowledged by the Company, and the Interconnecting Customer will be notified of the application's completeness, and if not complete, the Company will advise the Interconnecting Customer of what is missing in accordance with the timelines set forth in Table 1. Interconnecting Customers who are not likely to qualify for Simplified or Expedited Process may opt to go directly into the Standard Process path and may, if eligible, request that the Company perform a Pre-Impact Study Review. Interconnecting Customers proposing to

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interconnect on area networks will also go directly to the Standard Process. All other Interconnecting Customers must proceed through a series of screens to determine their ultimate interconnection path. (Interconnecting Customers not sure whether a particular location is on a radial circuit, spot network, or area network should check with the Company serving the proposed Facility location prior to filing and the Company will verify the circuit type upon filing.)

The proposed interconnection of any new Renewable Energy Resource that replaces the same existing Renewable Energy Resource of the same or less nameplate capacity that has been in operation in the twelve (12) months preceding notification of such replacement shall be subject to a sixty (60) day review. The purpose of such sixty (60) day review is to allow the Company to determine whether any System Modifications are required to support the interconnection of the replacement Renewable Energy Resource. If there is a need for System Modifications because of an interconnection policy change implemented by the Company, then the System Modification may be included in rates as determined by the Commission. If there is a need for System Modifications only because of a change in the rating or utility disturbance response that adversely affects the impact of the Facility on the distribution system, then the Renewable Interconnecting Customer shall be responsible for the cost of the System Modifications.

The Company will conduct accepted project conferences with all non-residential customers that have been accepted into the Renewable Energy Growth Program.

3.1 Simplified Process

Interconnecting Customers using Listed inverter-based Facilities with an ability to export power of 25 kW or less at locations receiving secondary service from a transformer configuration that matches the phase of the Facility equipment, requesting an interconnection on radial EDSs, and passing the eligibility criteria and screens outlined in Figure 1. Applications that would otherwise qualify as Simplified but are on a spot or area network will now proceed in the Expedited Process (See Figure 2 for details).

The Simplified Process is as follows:

- a. Application process:
 - i. Interconnecting Customer submits a Simplified Process application filled out properly and completely (Exhibit A).
 - ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.

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A Renewable Interconnecting Customer may request a Feasibility Study. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study.

- b. The Company verifies Facility equipment passes screens in Figure 1 if a radial EDS, or the screens in Figure 2 if a network EDS. If a Facility fails the System Design Screen in Figure 1, the Company will identify the concerns with the proposed Facility design, and the Interconnecting Customer is required to revise the proposed Facility design and associated application materials to resolve the concerns in order to remain in the Simplified process. If a Facility fails the Service Type & Configuration Screen in Figure 1 while passing all other screens, the Facility will not be automatically evaluated under the Expedited Process. Instead, the Company shall have an additional 30 Business Days to review an application where the Facility has failed the Service Type & Configuration Screen in Figure 1. In this additional review, the Company will identify any minor System Modifications that may be required and their associated cost estimate to resolve the concerns prior to issuing a conditional approval for the Facility to proceed in the Simplified process.
- c. If approved, without minor System Modifications, the Company signs the application approval line and sends it to the Interconnecting Customer. If the Company requires the Interconnecting Customer to pay for minor System Modifications, a description of work and an estimate will be sent to the Interconnecting Customer for approval prior to the Company signing the application approval line. The Interconnecting Customer would then approve via a signature and payment for the minor System Modifications. Interconnecting Customers in the Simplified Process with minor System Modifications shall have 20 Business Days from the date the cost estimate is issued to pay 100% of the estimated cost for the System Modifications. Once payment has been made, the Company will sign the application approval line and send the executed document to the Interconnecting Customer.
- d. Upon receipt of signed application, the Interconnecting Customer installs the Facility. Then the Interconnecting Customer arranges for inspection of the completed installation by the local electrical wiring inspector, or other authority having jurisdiction, and this person signs the Certificate of Completion. If the Facility was installed by an electrical contractor, this person also fills out the Certificate of Completion.
- e. The Interconnecting Customer returns Certificate of Completion to the Company (refer to Attachment 2 of the Simplified Process Application for the Certificate of Completion).
- f. Following receipt of the Certificate of Completion, the Company may inspect the Facility for compliance with standards by arranging for a Witness Test. The Interconnecting Customer has no right to operate in parallel until a Witness Test has been performed or has been previously waived on the Application Form. The Company is obligated to complete this Witness Test within 10 business days of the receipt of the Certificate of Completion. If the Company does not inspect in 10 business days or by mutual agreement of the Parties, the Witness Test is deemed waived. Regardless of whether or not the Company performs a Witness Test, the

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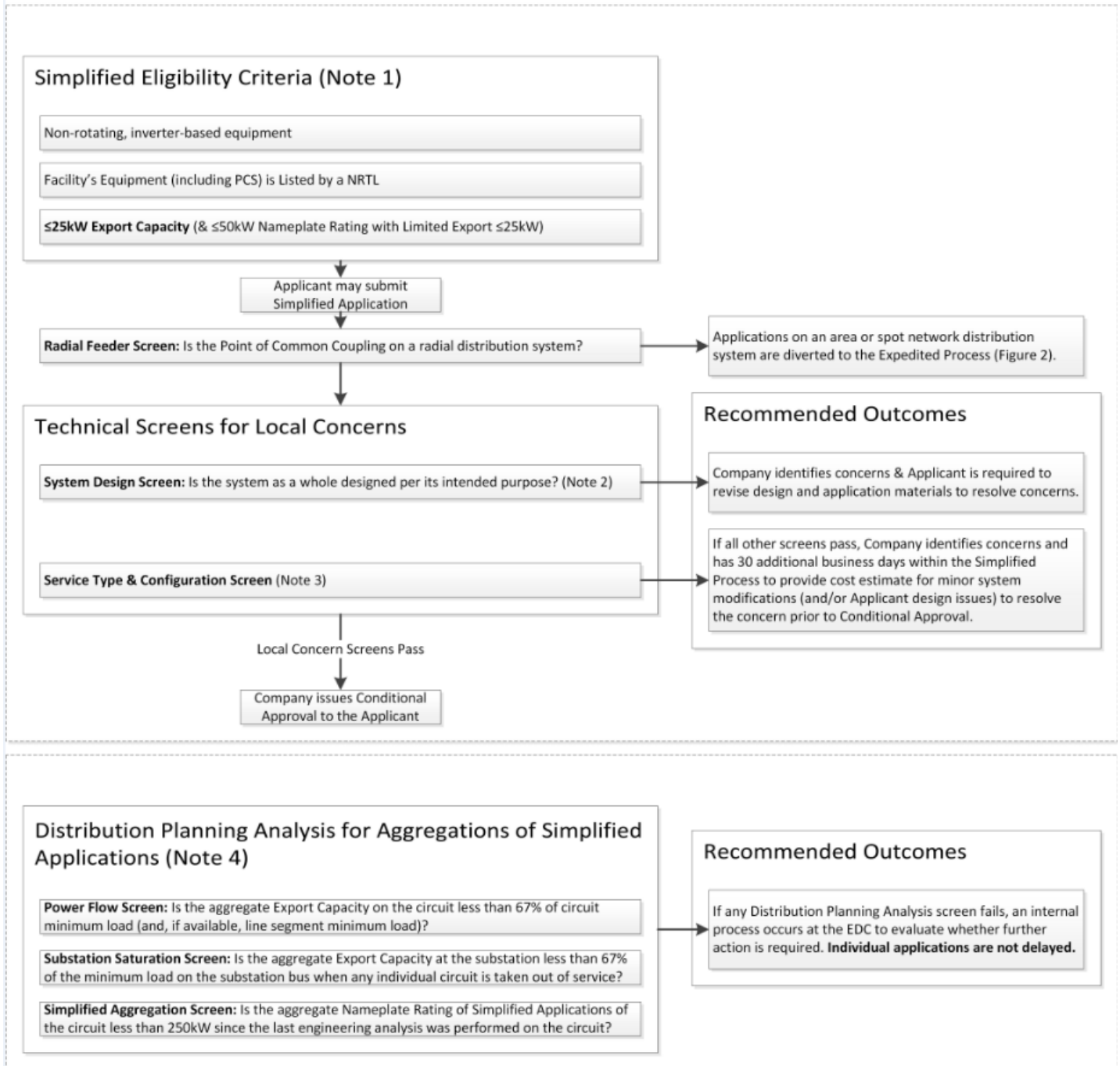
Interconnecting Customer shall not operate their Facility until all required System Modifications are constructed by the Company.

- g. Assuming the wiring inspection and/or Witness Test is satisfactory (and the Company has completed any required System Modifications), the Company notifies the Interconnecting Customer in writing that interconnection is authorized. If the Witness Test is not satisfactory, the Company has the right to disconnect the Facility, and will provide information to the Interconnecting Customer describing clearly what is required for approval.
- h. The Interconnecting Customer has no right to operate in parallel until they have received the Authorization to Interconnect.

If the Interconnecting Customer does not substantially complete construction within 12 months after receiving approval from the Company, the Company will require the Interconnecting Customer to reapply for interconnection.

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Figure 1: Simplified Eligibility and Screening Process



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Standards for Connecting Distributed Generation**Explanatory Notes to Accompany Figure 1 (only Simplified) –****Simplified Screens: Figure 1 (Note 1) – Eligibility Criteria:**

- I. For the purposes of determining eligibility to submit an application in the Simplified interconnection process, all Facility equipment that will operate in Parallel with the Company EDS must meet the following criteria: (a) all generating and ESS equipment must be non-rotating and inverter-based, (b) all inverters and/or components intended to limit the Export Capacity of the system must be certified as Listed by a NRTL, and (c) the aggregate Export Capacity of the equipment on the site must be less than or equal to 25kW.
- II. Where a mechanism is proposed to limit Export Capacity below the Nameplate Rating of the aggregate generating and ESS equipment in order to comply with the Export Capacity thresholds defined above, the aggregate Nameplate Rating of all generating and ESS equipment that will operate in Parallel with the Company EDS may not exceed 50kW. If the aggregate Nameplate Rating exceeds 50kW (regardless of the Export Capacity), the application is not eligible to be submitted in the Simplified interconnection process. Additionally, while the mechanism to limit Export Capacity may monitor the real-time load on the site to ensure compliance with the Export Capacity eligibility criteria, under no circumstances may the mechanism to limit Export Capacity be contingent upon an assumed minimum load on the site (i.e. when the site load is zero, the Facility as a whole must remain in compliance with the eligibility criteria). While an Interconnecting Customer may propose any mechanism to limit Export Capacity that is permitted in Section 4.3 of the Interconnection Tariff, Facilities that rely on a Power Control System (PCS) may be subject to testing standards other than IEEE Standard 1547. Under such circumstances the PCS shall be tested by a NRTL to the specific standard publication relevant to such devices. Interconnecting Customers who can demonstrate Facility compliance with such a standard, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company.
- III. Facilities with inverter-based equipment will be considered Listed upon demonstrating that such equipment has successfully passed all pertinent tests performed by a NRTL to conform with the latest version of IEEE Standard 1547. IEEE Standard 1547 includes design specifications, operational requirements, and a list of tests that are required for Facilities. IEEE Standard 1547.1 describes how to conduct tests to show compliance with provisions of IEEE Standard 1547. To meet the eligibility criteria to submit an application in the Simplified interconnection process, Interconnecting Customers must provide information or documentation that demonstrates how the Facility is in compliance with the IEEE Standard 1547.1. A Facility will be deemed to be in compliance with the IEEE Standard 1547.1 if the Company previously determined it was in compliance. Interconnecting Customers who can demonstrate Facility compliance with IEEE Standard 1547.1, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company. Subject to the Facility passing the System Design Screen, generating and ESS equipment that is not capable of operating in Parallel with the Company EDS (i.e. only operating when the Facility is isolated from the Company EDS) will not be considered as part of the Export Capacity and/or aggregate Nameplate Rating of the Facility for the purposes

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of determining eligibility for an Interconnecting Customer to submit an application in the Simplified interconnection process.

Simplified Screens: Figure 1 (Note 2) – System Design Screen:

- I. This screen identifies the need for the Company to review the Interconnection Application, and all of the associated material submitted by the Interconnecting Customer, to determine if the proposed design of the Facility as a whole is likely to operate as intended. In particular, the Company will consider the manufacturer's specifications for all the constituent components of the Facility within the context of the site plan, line diagram, operating schedule, project narrative and any other supplemental materials provided by the Interconnecting Customer that may impact the operation of the proposed Facility in Parallel with the Company's EDS. The Company will also consider whether the proposed Facility design as a whole will comply with the Company's technical standards and may also consider (as directed by the Commission) whether the proposed Facility design complies with the proposed incentive program(s) identified in the Interconnection Application.
- II. Any application (single-phase or three-phase) that exceeds an aggregate Nameplate Rating of 25kW (regardless of Export Capacity) must have an electrical one-line diagram with a P.E. stamp from an electrical engineer certified in Rhode Island.

Simplified Screens: Figure 1 (Note 3) – Service Type & Configuration Screen

- I. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including the service transformer configuration and service type to limit the potential for creating unacceptable voltage imbalance, over-voltage or under-voltage conditions, or service equipment overloads on the Company EDS due to a mismatch between the size and phasing of the energy source, the service loads fed from the service transformer(s), and the service equipment ratings.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Screen Result
Three-phase, three-wire	Three-phase, phase-to-phase	Pass
	Single-phase, phase-to-phase	Pass
	Other configurations	Fail
Three-phase, four-wire	Effectively-grounded three-phase	Pass
	single-phase, line-to-neutral	Pass
	Other configurations	Fail

- II. Secondary Voltage-Rise: The purpose of this screen is to maintain the +/-5% voltage boundaries for the nominal service voltage at the Point of Common Coupling for all customers (including other customers in the general vicinity of the proposed Facility).

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- III. Shared Overhead: If the Facility is to be interconnected on a single-phase overhead transformer that includes at least some portion of shared secondary conductor, the aggregate Export Capacity on the shared secondary, including the Facility's Export Capacity, will not exceed: (a) 25 kilovolt-ampere ("kVA"); (b) the kVA nameplate rating of the service transformer; or (c) a kVA threshold that in combination with the secondary conductor will be likely to cause the voltage on the secondary conductor to be greater than 5 % nominal service voltage.
- IV. Shared Underground: If the Facility is to be interconnected on a single-phase underground transformer that includes at least some portion of shared secondary conductor, the Facility shall fail this screen and require additional review unless the Company has sufficient information readily available at the time of the screening review to make a determination that voltage-rise concerns are unlikely once the Facility is operational.
- V. Dedicated Overhead or Underground: If the Facility is to be interconnected via a dedicated single-phase transformer (and/or on a dedicated service drop or underground service conductor) that does not include any shared-secondary conductor, the aggregate Export Capacity on the dedicated secondary, including the Facility's Export Capacity, will not exceed (a) 25 kilovolt-ampere ("kVA") or (b) the kVA nameplate rating of the service transformer.
- VI. Other Considerations: For overhead service transformers (regardless of whether the Facility is to be connected via a shared or dedicated configuration), if the Facility is to be interconnected on an existing single-phase service drop consisting (at least in part) of #4 size conductor, the Company may determine that the Facility fails this screen and requires additional review. For any other conductor sizes or service configurations that are not explicitly listed in this screen but are likely to cause voltage-rise concerns once the Facility is operational (based on the information that is readily available to the Company at the time of the screening review), the Company may determine the Facility fails this screen and requires additional review. If the Company identifies additional common scenarios that lead to voltage-rise concerns for Facilities that would otherwise have passed this screen based on the aggregate Export Capacity threshold, it will post examples or descriptions of those scenarios on its website and/or in its technical standards.
- VII. If the Facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition of its Nameplate Rating will not create an imbalance between the two sides of the 240-volt service of more than 20% of the rating of the service transformer.

Simplified Screens: Figure 1 (Note 4) – Distribution Planning Analysis for Aggregations of Simplified Applications:

- I. Distribution Planning Analysis in parallel with interconnection processes: If the aggregate Export Capacity and/or Nameplate Rating of Simplified applications on the circuit is greater than the thresholds identified in the diagram, a more expansive study may be required, but an individual Simplified application that passes the technical screens for local concerns should not be delayed as a result of the Distribution Planning Analysis screens in receiving: (a) Conditional Approval as long as the Company has a clear funding source for any incremental

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work triggered by an aggregation of Simplified applications in an area or (b) Authority to Interconnect as long as there are no immediate safety or reliability concerns are present.

- II. Power Flow Screen: On a typical radial distribution EDS circuit (“feeder”) the annual minimum load as referenced at the protective device at the supply point of the circuit. A circuit may also be supplied from a tap on a higher-voltage line, sometimes called a subtransmission line. On more complex radial EDSs, where bidirectional power flow is possible due to alternative circuit supply options (“loop service”), the normal supply point is the loop tap. If minimum load is not readily available, the minimum load will be estimated by taking a percentage of peak load.

3.2 Pre-Application Reports

- I. Prior to submitting an Interconnection Application through either the Expedited or Standard Process (see Sections 3.3 and 3.4), all Interconnecting Customers with Facilities that are 250 kW or greater must request and receive a Pre-Application Report from the Company. An Application for Facilities 250 kW or greater will not be deemed to be complete without a Pre-Application Report. The Pre-Application Form is provided in Exhibit B. The Pre-Application Report is optional at the election of the Interconnecting Customer for those Facilities that are less than 250 kW. There is a fee required for both mandatory and optional Pre-Application Reports. However, the cost of the Pre-Application fee will be deducted from the cost of the Application fee as long as the Interconnecting Customer submits an Interconnection Application within fifteen (15) Business Days of receiving the completed Pre-Application Report from the Company. Please see Table 2 – Fee Schedules for pricing.
- II. Following the submission for either a mandatory or optional Pre-Application Report, the Company shall provide the Report within 10 Business Days assuming a reasonable number of applicants under review. The Pre-Application Report produced by the Company is non-binding, and, if the Interconnecting Customer wishes to proceed, the Interconnecting Customer must still successfully apply to interconnect to the Company’s EDS. If the Company does not produce the Pre-Application Report within 10 Business Days, the Interconnecting Customer may proceed to apply to interconnect to the Company’s EDS without a Pre-Application Report, and the Company shall refund the Pre-Application fee to the Interconnecting Customer. No person or entity, or affiliate or agent thereof, may request more than ten (10) Pre-Application Reports in any one-week period.
- III. The Company shall immediately advise the Interconnecting Customer if there will be a delay in providing the Pre-Application Report due to the number of pending requests.
- IV. The Company shall file an annual report with the Commission by March 1 annually. The annual report shall contain the following: (1) the weekly average of Pre-Application Reports for the prior calendar year; (2) the weekly minimum and maximum number of Pre-Application Reports for the prior calendar year; and (3) the number of delays that were issued due to exceeding a reasonable number of applications under review during the prior calendar year.

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V. The Company shall provide the following information for the proposed Facility interconnection location in the Pre-Application Report:

- Circuit voltage at the substation;
- Circuit name;
- Circuit voltage at proposed Facility;
- Substation name;
- Substation transformer rating;
- Whether Single or three-phase is available near site; If single phase – distance from three phase service;
- Aggregate connected Facilities (kW) on circuit;
- Aggregate connected Facilities (kW) on the substation transformer and submitted complete applications of Facilities (kW) that have not yet been interconnected;
- Whether 3V0 is deployed or scheduled for deployment on the circuit or substation;
- Submitted complete applications of Facilities (kW) on circuit that have not yet been interconnected;
- Whether the Interconnecting Customer is served by an area network, a spot network, or radial system;
- Identification of distribution feeders or sub-transmission lines within ¼ mile of the proposed interconnection site through a snapshot of GIS map or other means; and
- For the nearest available feeder, the circuit rating and approximate circuit length from the proposed Facility to the substation;
- Whether the proposed Facility is likely to be on the Standard track;
- Whether an ASO has informed the Company that an ASO Study is required, or the Company is aware of an on-going ASO Study for the proposed Facility interconnection location;
- Other obvious system constraints or critical items that may impact the proposed Facility.

3.3 Expedited Process

Other Interconnecting Customers not qualifying for the Simplified Process or not in the Standard Process must pass a series of screens before qualifying for Expedited interconnection. Depending on whether one or more screens are passed, additional steps may be required.

The Expedited Process is as follows:

- a. Application process:
 - i. Interconnecting Customer submits an Expedited/Standard application filled out properly and completely (Exhibit C).

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- ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.
 - iv. A Renewable Interconnecting Customer may request a Feasibility Study. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study. If the results of the Feasibility Study allow the Company to provide an executable ISA, it will do so. Otherwise, the Company will provide an ISR DG Study Agreement.
- b. Company then conducts an Initial Review which includes applying the eligibility criteria and screening methodology in Figure 2. If a Facility fails the System Design Screen in Figure 2, the Company will identify the concerns with the proposed Facility design, and the Interconnecting Customer is required to revise the proposed Facility design and associated application materials to resolve the concerns in order to remain in the Expedited process.
- c. The Company reserves the right to conduct internal studies if deemed necessary and at no additional cost to the Interconnecting Customer, such as but not limited to: protection review, aggregate harmonics analysis review, aggregate power factor review and voltage regulation review. Likewise, when the proposed interconnection may result in reversed load flow through the Company's load tap changing transformer(s), line voltage regulator(s), control modifications necessary to mitigate the effects may be made to these devices by the Company at the Interconnecting Customer's expense or the Facility may be required to limit its output so reverse load flow cannot occur or to provide reverse power relaying that trips the Facility.

As part of the Expedited Process, the Company will assess whether any System Modifications are required for interconnection, even if the project passes all of the applicable Screens. If the needed modifications are minor, that is, the requirement can be determined within the time allotted through the application fee and any internal studies, then the modification requirements, reasoning, and costs for these minor modifications will be identified and included in the executable Interconnection Service Agreement. If the requirements cannot be determined within the time and cost allotted in the Initial Review and any internal studies, the Company may require that the project undergo additional review to determine those requirements. The time allocated for additional review is a maximum of 10 hours of engineering time.

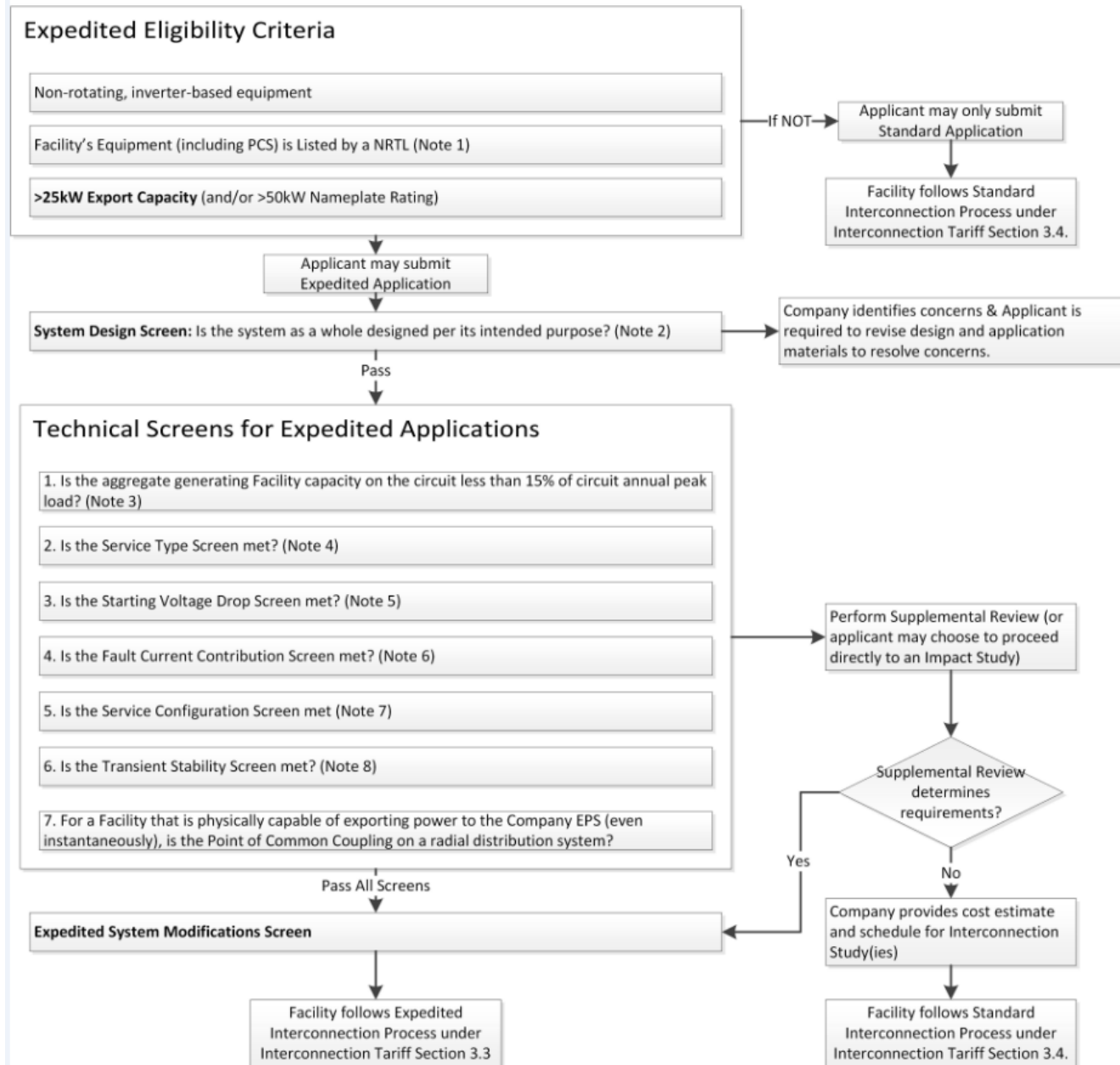
If after this review, the Company still cannot determine the requirements, the Company will document the reasons why and will meet with the Interconnecting Customer to determine how to move the process forward to the Parties' mutual satisfaction. In all cases, the Interconnecting Customer will pay for the cost of modifications, if any, as discussed in Section 5.0.

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- d. Assuming that all applicable Screens are passed and the Company has no concerns with the proposed interconnection, the Company sends the Interconnecting Customer an executable Interconnection Service Agreement and a quote for any required System Modifications or reasonable Witness Test costs. No other studies will be required.
- e. If one or more Screens are not passed, the Company will provide a Supplemental Review Agreement. If the Interconnecting Customer executes the agreement, the Company will conduct the review. If the Supplemental Review determines the requirements for processing the application through the Expedited Process including any System Modifications, then the modification requirements, reasoning, and costs for these modifications as defined in Section 5.0 will be identified and included in an executable Interconnection Service Agreement sent to the Interconnecting Customer for execution. If the Supplemental Review does not determine the requirements, it will include a proposed Impact Study Agreement or ISR DG Agreement as part of the Standard Process which will include an estimate of the cost of the study. Even if a proposed project initially fails a particular Screen in the Expedited Process, if Supplemental Review shows that it can return to the Expedited Process then it will do so. Supplemental Review includes up to 10 hours of engineering time.
- f. Interconnecting Customer returns the signed Interconnection Service Agreement which is then executed by the Company.
- g. Interconnecting Customer completes installation and, upon receipt of payment, the Company completes System Modifications, if required.
- h. Company inspects completed installation for compliance with standards and attends Witness Test, if required.
- i. Interconnecting Customer sends Certificate of Completion to Company.
- j. Assuming inspection is satisfactory, the Company notifies Interconnecting Customer in writing that interconnection is authorized. The Company may, in its sole and exclusive discretion, authorize a Facility to interconnect prior to the completion of the System Modifications, provided, however, that any additional terms and conditions related to such authorization (which may include, without limitation, disconnection, curtailment, construction timeframes, and indemnification) shall be agreed to by the Interconnecting Customer and detailed in the ISA.
- k. The Interconnecting Customer has no right to operate in parallel until it has received the Authorization to Interconnect.

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Figure 2: Expedited Eligibility and Screening Process



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Explanatory Notes to Accompany Figure 2 (Expedited Only)

Expedited Screens: Figure 2 (Note 1) – Eligibility Criteria:

- I. For the purposes of determining eligibility to submit an application in the Expedited interconnection process, all Facility equipment that will operate in Parallel with the Company EDS must meet the following criteria: (a) all generating and ESS equipment must be non-rotating and inverter-based and (b) all inverters and/or components intended to limit the Export Capacity of the system must be certified as Listed by a NRTL. Applications submitted in the Simplified interconnection process that fail the Screens in Figure 1 will be diverted to the Expedited interconnection process.
- II. Where a mechanism is proposed to limit Export Capacity below the Nameplate Rating of the aggregate generating and ESS equipment in order to pass the Screens in Figure 2 and/or avoid the need for System Modifications, the mechanism to limit Export Capacity may monitor the real-time load on the site to ensure compliance with the Company technical standards; however, under no circumstances may the mechanism to limit Export Capacity be contingent upon an assumed minimum load on the site (i.e. when the site load is zero, the Facility as a whole must remain in compliance with the eligibility criteria). While an Interconnecting Customer may propose any mechanism to limit Export Capacity that is permitted in Section 4.3 of the Interconnection Tariff, Facilities that rely on a Power Control System (PCS) may be subject to testing standards other than IEEE Standard 1547. Under such circumstances the PCS shall be tested by a NRTL to the specific standard publication relevant to such devices. Interconnecting Customers who can demonstrate Facility compliance with such a standard, with the testing done by a NRTL, will be eligible for the Expedited Process.
- III. Facilities with inverter-based equipment will be considered Listed upon demonstrating that such equipment has successfully passed all pertinent tests performed by a NRTL to conform with the latest version of IEEE Standard 1547. IEEE Standard 1547 includes design specifications, operational requirements, and a list of tests that are required for Facilities. IEEE Standard 1547.1 describes how to conduct tests to show compliance with provisions of IEEE Standard 1547. To meet the eligibility criteria to submit an application in the Expedited interconnection process, Interconnecting Customers must provide information or documentation that demonstrates how the Facility is in compliance with the IEEE Standard 1547.1. A Facility will be deemed to be in compliance with the IEEE Standard 1547.1 if the Company previously determined it was in compliance. Interconnecting Customers who can demonstrate Facility compliance with IEEE Standard 1547.1, with the testing done by a NRTL, will be eligible for the Expedited Process, and may be eligible for the Simplified Process upon review by the Company. Subject to the Facility passing the System Design Screen, generating and ESS equipment that is not capable of operating in Parallel with the Company EDS (i.e. only operating when the Facility is isolated from the Company EDS) will not be considered as part of the Export Capacity and/or aggregate Nameplate Rating of the Facility for the purposes of determining eligibility for an Interconnecting Customer to submit an application in the Expedited interconnection process.

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Expedited Screens: Figure 2 (Note 2) – System Design Screen:

- I. This screen identifies the need for the Company to review the Interconnection Application, and all of the associated material submitted by the Interconnecting Customer, to determine if the proposed design of the Facility as a whole is likely to operate as intended. In particular, the Company will consider the manufacturer's specifications for all the constituent components of the Facility within the context of the site plan, line diagram, operating schedule, project narrative and any other supplemental materials provided by the Interconnecting Customer that may impact the operation of the proposed Facility in Parallel with the Company's EDS. The Company will also consider whether the proposed Facility design as a whole will comply with the Company's technical standards and may also consider (as directed by the Commission) whether the proposed Facility design complies with the proposed incentive program(s) identified in the Interconnection Application.
- II. Any application (single-phase or three-phase) that exceeds an aggregate Nameplate Rating of 25kW (regardless of Export Capacity) must have an electrical one-line diagram with a P.E. stamp from an electrical engineer certified in Rhode Island.

Expedited Screens: Figure 2 (Note 3) – Aggregate Capacity:

- I. On a typical radial distribution EDS circuit ("feeder") the annual peak load is measured at the substation circuit breaker, which corresponds to the supply point of the circuit. A circuit may also be supplied from a tap on a higher-voltage line, sometimes called a subtransmission line. On more complex radial EDSs, where bidirectional power flow is possible due to alternative circuit supply options ("loop service"), the normal supply point is the loop tap.

Expedited Screens: Figure 2 (Note 4) – Service Type Screen:

- I. This screen includes a review of the type of electrical service provided to the Interconnection Customer, including the service transformer configuration and service type to limit the potential for creating unacceptable voltage imbalance, over-voltage or under-voltage conditions, or service equipment overloads on the Company EDS due to a mismatch between the size and phasing of the energy source, the service loads fed from the service transformer(s), and the service equipment ratings.

Expedited Screens: Figure 2 (Note 5) – Voltage Drop Screen:

- I. This Screen only applies to Facilities that start by motoring the generating unit(s) or the act of connecting synchronous generators. The voltage drops should be less than the criteria below. There are two options in determining whether Starting Voltage Drop could be a problem. The option to be used is at the Company's discretion:

Option 1: The Company may determine that the Facility's starting inrush current is equal to or less than the continuous ampere rating of the Facility's service equipment.

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Option 2: The Company may determine the impedances of the service distribution transformer (if present) and the secondary conductors to the Facility's service equipment and perform a voltage drop calculation. Alternatively, the Company may use tables or nomographs to determine the voltage drop. Voltage drops caused by starting a generating unit as a motor must be less than 2.5% for primary interconnections and 5% for secondary interconnections.

Expedited Screens: Figure 2 (Note 6) – Fault Current Contribution Screen:

- I. The purpose of this Screen is to ensure that fault (short-circuit) current contributions from all Facilities will have no significant impact on the Company's protective devices and EDS. All of the following criteria must be met when applicable:
 - a. The proposed Facility, in aggregation with other generation on the distribution circuit, will not contribute more than 10% to the distribution circuit's maximum fault current under normal operating conditions at the point on the high voltage (primary) level nearest the proposed PCC.
 - b. The proposed Facility, in aggregate with other generation on the distribution circuit, will not cause any distribution protective devices and equipment (including but not limited to substation breakers, fuse cutouts, and line reclosers), or Interconnecting Customer equipment on the EDS to exceed 85% of the short-circuit interrupting capability. In addition, the proposed Facility will not be installed on a circuit that already exceeds 85% of the short-circuit interrupting capability.
 - c. When measured at the secondary side (low side) of a shared distribution transformer, the short-circuit contribution of the proposed Facility must be less than or equal to 2.5% of the interrupting rating of the Company's service equipment.

Coordination of fault-current protection devices and systems will be examined as part of this Screen.

Expedited Screens: Figure 2 (Note 7) – Service Configuration Screen:

- I. This Screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over voltages on the Company EDS due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Screen Result
Three-phase, three-wire	Three-phase, phase-to-phase	Pass
	Single-phase, phase-to-phase	Pass
	Other configurations	Fail
Three-phase, four-wire	Effectively-grounded three-phase	Pass
	single-phase, line-to-neutral	Pass
	Other configurations	Fail

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- II. If the proposed Facility is to be interconnected on a single-phase transformer shared secondary, the aggregate generation and ESS capacity on the shared secondary, including the proposed Facility, will not result in over-voltage concerns.
- III. If the proposed Facility is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition will not create an imbalance between the two sides of the 240-volt service of more than 20% of nameplate rating of the service transformer.
- IV. Expedited Screens Figure 2 Note 8 – Transient Stability Screen:

The proposed Facility, in aggregate with other Facilities interconnected to the distribution low voltage side of the substation transformer feeding the distribution circuit where the Facility proposes to interconnect, will not exceed 10 MW in an area where there are known or posted transient stability limitations to generating units located in the general electrical vicinity (e.g., 3 or 4 transmission voltage level buses from the PCC).

3.4 Standard Process

The Standard Process has the longest maximum time period and highest potential costs. There are three ways to enter the Standard Process:

- 1. Interconnecting Customers may choose to proceed immediately to the Standard Process.
Application process:
 - i. Interconnecting Customer submits an Expedited/Standard Application filled out properly and completely (Exhibit C).
 - ii. Company acknowledges to the Interconnecting Customer receipt of the application within 3 business days.
 - iii. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what required documents, fees, or other materials from the Interconnecting Customer are missing or are otherwise preventing the Company from accepting the application as complete and ready to proceed to the next step in the process.
- 2. Based upon the results of the initial and Supplemental Reviews, Interconnecting Customers may be required to enter the Standard Process.
- 3. Based on the results of the Screens in Figure 2 for networks, Interconnecting Customers may be required to enter the Standard Process.

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The Standard Process is as follows:

Once the application has entered the Standard Process, as described in the previous section, then the Company shall perform one of the following steps within the relevant timeframes provided in Table 1 and fees provided in Table 2:

- a) If requested to do so by a Renewable Interconnecting Customer, the Company shall perform a Feasibility Study prior to the Interconnecting Customer requesting an ISR DG. Upon receipt of an executed Feasibility Study Agreement and receipt of the applicable Feasibility Study fee, the Company shall conduct the Feasibility Study.
- b) If requested to do so by any Interconnecting Customer with one or more applications submitted concurrently with an Aggregate Nameplate Rating greater than 1 MW, the Company shall perform a Pre-Impact Study Review prior to the Interconnecting Customer requesting an Impact Study (or if eligible an ISR DG). Upon receipt of an executed Pre-Impact Study Review Agreement and receipt of the estimated Pre-Impact Study Review fee, the Company shall conduct the Pre-Impact Study Review.
- c) If the Company has already performed a Supplemental Review or provided results from the Screens in Figure 2 for networks (or if otherwise requested by the Interconnecting Customer with a complete application), the Company shall proceed directly to performing an Impact Study (or if eligible an ISR DG). Refer to paragraph d. below for the requirements for initiating an Impact Study (or if eligible an ISR DG).
- d) If the Interconnecting Customer does not otherwise request that the Company proceed with any of the options above, the Company will conduct a Standard Process Initial Review. Once the Initial Review is complete, the Company shall provide pertinent information such as:
 - i. The available fault current at the proposed location;
 - ii. The existing peak loading on the lines in the general vicinity of the Facility;
 - iii. The configuration of the distribution lines;
 - iv. Whether an ASO has informed the Company that an ASO Study is required, or the Company is aware of an on-going ASO Study for the proposed Facility interconnection location;
 - v. Other obvious system constraints or critical items that may impact the proposed Facility.
- e) If the Company conducted an Initial Review, Feasibility Study, Pre-Impact Study Review, or Supplemental Review, the Interconnecting Customer may request a scoping meeting/discussion with the Company within ten (10) business days of receiving the relevant report to review the application and the results provided in the report prior to proceeding to an Impact Study (or if eligible an ISR DG).
- f) The Company provides an Impact Study Agreement, or an ISR DG Agreement, including a cost estimate for the study or the costs for an ISR DG as outlined in Table 2. When the

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Interconnecting Customer signs and returns the Agreement with the fee identified, the Company shall commence the study. If necessary, the Company may put the study on hold while the Interconnecting Customer provides additional information or documentation required to complete the study. Where there are potentially Affected Systems, and no single Party is in a position to prepare an Impact Study covering all potentially Affected Systems, the Company will coordinate with the Interconnecting Customer, the Affected System Operator(s) and/or the Affected System Owner(s) but not be responsible for the timing of any studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems; provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company's cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The timelines in Table 1 will be affected if the ISO-NE's Operating Procedure 14 will be required and/or transmission upgrades or studies are needed for Affected Systems. This could occur, without limitation, if the Interconnecting Customer's Facility is greater than or equal to 5 MWs or if the aggregate capacity of Facilities connected (which are on the same feeder and are physically close to each other) is greater than or equal to 5 MWs. The Company will, when such information becomes available, communicate to the Interconnecting Customer the plan for conducting the ASO Study, the responsibilities of each party, the scope of the ASO Study, the expected timeframe for completion, and the estimated cost of the ASO Study. Where an ASO Study may be required, the Interconnecting Customer, after consultation with the Company, may elect to proceed with the Impact Study or ISRDLG and the ASO Study concurrently. In the event the ASO Study invalidates the initial assumptions used to concurrently complete the Impact Study or ISRDLG, the Company will provide an amended Impact Study or ISRDLG Agreement with a cost estimate and expected timeframe needed to recomplete the Impact Study or ISRDLG with the updated assumptions. The new timeframe will not exceed the timeline in Table 1 for completion of an Impact Study or ISRDLG respectively.

- g) Once the Interconnecting Customer executes the Impact Study Agreement, or an ISRDLG Agreement, and pays pursuant to the terms thereof, the Company will conduct the Impact Study or ISRDLG.
- h) If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are not substantial (i.e., no substation upgrades, etc.), the Impact Study or ISRDLG will determine the scope and cost of the modifications as defined in Section 5.0. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are substantial, the Impact Study or ISRDLG will produce an estimate for the modification costs, including a breakdown of line item details as available based on the engineering performed in the study (within $\pm 25\%$) and a Detailed Study Agreement and estimated Detailed Study cost for Interconnecting Customer's approval. For Facilities requiring completion of an ASO Study, such estimate shall not include any Affected System Owner and/or Affected System Operator costs for studies or necessary system modifications to the Affected System. The Company shall coordinate with the Affected

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System Operator(s) and/or Affected System Owner(s) and communicate to the Interconnecting Customer the ASO's estimated study and ASO upgrade costs as such cost estimates become available.

- i) The Interconnecting Customer will have 10 business days to provide comments on the Impact Study.
- j) Once the Interconnecting Customer executes the Detailed Study Agreement and pays pursuant to the terms thereof, the Company will conduct the Detailed Study.
- k) Upon completion of any necessary studies and upon request from the customer, the Company shall send the Interconnecting Customer an executable Interconnection Service Agreement including a quote for any required System Modifications and reasonable Witness Test costs, assuming the customer has met all necessary obligations up to this point.
- l) Interconnecting Customer returns signed Interconnection Service Agreement.
- m) Interconnecting Customer completes installation and Company completes System Modifications, if required.
- n) Company inspects completed installation for compliance with requirements and attends Witness Test, if required.
- o) Interconnecting Customer sends Certificate of Completion to Company.
- p) Assuming inspection is satisfactory, the Company notifies Interconnecting Customer in writing that interconnection is authorized. The Company may, in its sole and exclusive discretion, authorize a Facility to interconnect prior to the completion of the System Modifications, provided, however, that any additional terms and conditions related to such authorization (which may include, without limitation, disconnection, curtailment, construction timeframes, and indemnification) shall be agreed to by the Interconnecting Customer and detailed in the ISA.
- q) The Interconnecting Customer has no right to operate in parallel until it has received the Authorization to Interconnect.

3.5 Time Frames

Unless otherwise noted, all days in the Interconnection Tariff reference Company business days under normal work conditions.

Table 1 lays out the maximum timeframes allowed under the Simplified, Expedited, and Standard Review processes. Note 1 to the Table contains additional information regarding the timeframes.

All Company timeframes herein are subject to all payments being made in accordance with this Interconnection Tariff and the Interconnecting Customer's Interconnection Service Agreement. The

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Company clock is stopped when awaiting information from Interconnecting Customers, except as set forth in Table 1, Note 7. Any delays caused by the Interconnecting Customer will interrupt the applicable clock.

The Company's timeframes herein will also be extended to the extent of events that are clearly not under the control of the Company, such as extended prohibitive weather, union work stoppage or by events of Force majeure, or delays caused by third parties, including without limitation delays due to ISO-NE requirements not attributable to Company actions.

Moreover, if an Interconnecting Customer fails to act expeditiously to continue the interconnection process or delays the process by failing to provide necessary information within the longer of 15 days or half the time allotted to the Company to perform a given step, or as extended by mutual agreement, then the Company may terminate the application and the Interconnecting Customer must re-apply. However, the Company will be required to retain the work previously performed in order to reduce the initial and Supplemental Review costs incurred for a period of no less than 1 year.

If the Interconnecting Customer does not initiate construction within twelve (12) months of signing the Interconnection Agreement, the Company may require the Customer to provide evidence that the project is moving toward construction. In the event that the Customer cannot provide such evidence (i.e., the project's permitting has been appealed or other reasons beyond the Interconnecting Customer's control), the Company reserves the right to require additional study or require the Customer to reapply for interconnection. Situations that could trigger enforcement of this time limit are: (1) material changes on the distribution circuits (e.g. load changes, circuit reconfiguration) or (2) a second application for interconnection received by the Company on a circuit from the same substation. The same rights of the Company to require the Customer to reapply for interconnection pertains if the interconnecting customer, after initiating construction, does not complete construction within twenty-four months. Notwithstanding these maximum time frames, the Company shall endeavor to meet the Customer's needs.

Interconnecting Customers shall not be required to pay any costs related to Company infrastructure upgrades or System Modifications upon execution of the Interconnection Service Agreement (or once the Interconnecting Customer receives the construction schedule). Interconnecting Customers shall have 90 Business Days from the date of execution of an Interconnection Service Agreement to pay the lesser of (a) an amount equal to the cost of designing the required System Modifications and the cost of any long lead time equipment or (b) 25% of the total estimated cost. The balance of the costs shall be paid within 90 Business Days of the initial payment, or as outlined in the ISA, whichever is longer. The Company's timeline obligation for construction shall commence upon the Interconnecting Customer's payment of 100% of costs under the Interconnection Service Agreement.

3.6 Fee Schedules

Table 2 lays out the fees required for Interconnecting Customers and Renewable Interconnecting Customers to apply for interconnection.

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Table 1 - Time Frames (Note 1)

Review Process	Simplified	Expedited	Standard	
Eligible Facilities	Listed Small Inverter	Listed DG	Non-renewable DG	Renewable DG
Acknowledge receipt of Application	(3 days)	(3 days)	(3 days)	(3 days)
Review Application for completeness	10 days	10 days	10 days	10 days
Complete Review of all screens	10 days	25 days	n/a	n/a
Complete Supplemental Review (if needed)	30 days	20 days	n/a	n/a
Complete Standard Process Initial Review	n/a		20 days	20 days if Feasibility Study not requested
Send Follow-on Studies Cost/Agreement	n/a		5 days	5 days
Feasibility Study (if requested)			n/a	30 calendar days
Pre-Impact Study Review	n/a	n/a	n/a	Mutually Agreed
Complete Impact Study or ISRDG (if requested)	n/a		55 days	The shorter of 55 days or 90 calendar days
Complete Detailed Study (if requested)	n/a	n/a	30 days	30 days
Send Executable Agreement (Note 3)	Done	10 days	15 days	15 days
Total Maximum Days (completed Application to delivery of executable ISA)	20/50 days (Note 4)	45/ 65 days (Note 5)	135/155 days (Note 6)	175 calendar/200 calendar if detailed study is required (Note 7)
Total Maximum Days (receipt of customer executed ISA to completion of System Modifications)	n/a, estimate will be provided with cost estimate and confirmed after payment is received	n/a, estimate will be provided in the ISA construction schedule	n/a estimate will be provided in the ISA construction schedule	<u>Later of</u> (i) 270/360 calendar days, if substation work is necessary, or (ii) mutual extension (Note 8)

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Review Process	Simplified	Expedited	Standard	
Notice/ Witness Test	< 1 day with 10 day notice or by mutual agreement	1-2 days with 10 day notice or by mutual agreement	By mutual agreement	By mutual agreement

Table 1 - Time Frames (Note 1), page 2

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Table 2 - Fee Schedules

	Simplified	Expedited	Standard	
	Listed Small Inverter	Listed DG	Non-Renewable DG	Renewable DG requesting a Feasibility Study or ISR DG
Pre-Application Report Fee	< 250 kW: \$100	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750	< 250 kW: \$100 250- 500 kW: \$250 > 500 kW: \$750
Application Fee (covers Screens)	\$0 (Note 1)	\$3/kW, minimum \$300, maximum \$2,500	\$3/kW, minimum \$300, maximum \$2,500	Feasibility Study Fee required in lieu of Application Fee
Supplemental Review or Additional Review (if applicable)	\$0 (Note 1)	Up to 10 engineering hours at \$125/hr. (\$1,250 maximum) (Note 2)	N/A	N/A
Standard Interconnection Initial Review	N/A	N/A	Included in application fee (if applicable)	N/A
Feasibility Study Review	N/A	N/A	N/A	<u>Residential:</u> ≤25kW: \$0 >25kW: \$50 <u>Non-residential:</u> ≤100kW: \$100 ≤250kW: \$300 250kW–1MW: \$1,000 >1MW: \$2,500
Pre-Impact Study Review	N/A	N/A	N/A	Mutually Agreed
Impact Study or ISR DG	N/A	N/A	Actual cost (Note 3)	<u>Residential:</u> >25kW: \$100 <u>Non-residential:</u> ≤100kW: \$500 ≤250kW: \$1,000 250kW–1MW: \$5,000 >1MW: \$10,000 (Note 4)
Detailed Study (if required)	N/A	N/A	Actual cost (Note 3)	Actual cost

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System Modifications (Note 5)	Actual cost	Actual cost	Actual cost	Actual cost
O&M (Note 6)	N/A	TBD	TBD	TBD
Witness Test	0	Actual cost, up to \$300 + travel time (Note 7)	Actual Cost	Actual Cost

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Note 1. All days listed apply to Company business days under normal work conditions unless otherwise noted. Except with respect to Renewable DG Applications received on or after July 1, 2017, all numbers in this table assume a reasonable number of applicants under review. All timelines may be extended by mutual agreement or otherwise affected, suspended, extended or interrupted as specified in this Tariff. Any delays caused by Interconnecting Customer will interrupt the applicable clock, except as provided in Note 7 below. The timelines in Table 1 will be affected if ISO-NE determines that a transmission level system impact study is required. This will occur if the Interconnecting Customer's Facility is greater than 5 MW and may occur if the Interconnecting Customer's Facility is greater than 1 MW.

Note 2. 30 calendar days if load is known or can be reasonably determined, 90 calendar days if it has to be metered.

Note 3. Company delivers an executable agreement form.

Note 4. Shorter time applies to Simplified Process without Supplemental Review; longer time applies to Simplified Process with Supplemental Review to determine the scope and cost estimate for minor System Modifications.

Note 5. Shorter time applies to Expedited Process without Supplemental Review; longer time applies to Expedited Process with Supplemental Review.

Note 6. For Non-Renewable DG, 135-day maximum applies to an Interconnecting Customer opting to begin directly in Standard Process, and 155 days is for an Interconnecting Customer who goes through initial Expedited Process first. In both cases this assumes that both the Impact Study and Detailed Studies are needed. If the Detailed Study is not needed, the timelines will be shorter.

Note 7. For Renewable DG, the 175/200 calendar day maximum applies only to Applications received on or after July 1, 2017. The maximum number of days between the date of the completed Application and the Company's delivery of an executable ISA is 175 calendar days, or 200 calendar days if a Detailed Study is required.

Note 8. These deadlines apply only to Renewable DG Applications received on or after July 1, 2017. All Company System Modifications must be completed by the date which is the later of (1) no longer than 270 calendar days, or 360 calendar days if substation work is necessary, from the date of the Company's receipt of the Renewable Interconnecting Customer's executed ISA, or (2) the Renewable Interconnecting Customer's agreed upon extension of the time between the execution of the ISA and interconnection as set forth in writing. These deadlines are subject to all payments being made in accordance with the Interconnection Tariff and the ISA, and any delay by the Renewable Interconnecting Customer to make said payments will interrupt the applicable clock. Subject to Section 3.5, these System Modification deadlines cannot be extended due to customer delays in providing required information, all of which must be requested and obtained before completion of the Impact

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Study. The deadlines for completion of System Modifications will be extended to the extent of events that are clearly not under the control of the Company, such as extended prohibitive weather, union work stoppage, or events of Force Majeure, or third party delays, including, without limitation, delays due to ISO-NE requirements not attributable to Company actions, and which cannot be resolved despite commercially reasonable efforts. The Company shall notify the customer of the start of any claimed System Modification deadline extension as soon as practicable, its cause and when it concludes, all in writing.

Table 2 – Fee Schedules

Note 1. If the Company determines that the Facility does not qualify for the Simplified Process, it will let the Interconnecting Customer know what the appropriate fee is. If the Company determines that minor System Modifications are required for an application that remains in the Simplified Process, any incremental review or design costs will be included in the System Modification cost estimate, and the Interconnecting Customer will only be responsible for those costs if they chose to proceed with the System Modifications.

Note 2. Supplemental Review and additional review are defined in Section 3.3.

Note 3. This is the actual cost only attributable to the applicant. Any costs not expended from the application fee previously collected will go toward the costs of these studies.

Note 4. To the extent that an ISR DG fee established under this section does not cover the reasonable cost of an ISR DG for a given non-residential project that commences operation, the balance of such costs shall be recovered from such applicant through billings after the project is online. The Company may, at its sole election, offset net metering credits or any standard contract payments until the full fee(s) is reimbursed, if it finds it administratively convenient to use that means of billing for the balance of the fee for a given project.

Note 5. The Company may only charge an Interconnecting Customer for any System Modifications to its electric power system specifically necessary for and directly related to the interconnection.

Note 6. O & M is defined as the Company's operations and maintenance carrying charges on the incremental costs associated with serving the Interconnecting Customer.

Note 7. The fee will be based on actual cost up to \$300 plus driving time, unless Company representatives are required to do additional work due to extraordinary circumstances or due to problems on the Interconnecting Customer's side of the PCC (e.g., Company representative required to make two trips to the site), in which case Interconnecting Customer will cover the additional cost.

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4.0 Interconnection Requirements

4.1 General Design Considerations

Interconnecting Customer shall design and construct the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. Interconnecting Customer agrees to cause its Facility to be constructed in accordance with applicable specifications that meet or exceed those provided under this Section of the Interconnection Tariff. Where an industry standard is referenced, it shall be the latest issued version.

4.0.1 Transient Voltage Conditions

Because of unusual events in the Company's EDS, there will be transient voltage fluctuations, which will result in voltages exceeding the limits of the stated ranges. These transient voltage fluctuations, which generally last only a few milliseconds, arise due to EDS disturbances including, but not limited to, lightning strikes, clearing of faults, and other switching operations. The magnitude of transient voltage fluctuations varies with EDS configuration, grounding methods utilized, local short circuit availability, and other parameters, which vary from point-to-point and from time-to-time on the distribution EDS.

The fluctuations may result in voltages exceeding the limits of the stated ranges and occur because of EDS disturbance, clearing of faults and other switching operations. These unavoidable transients are generally of too short duration and insufficient magnitude to have any adverse effects on general service applications. They may, however, cause malfunctions in equipment highly sensitive to voltage changes, and protective devices may operate to shut down such devices. The magnitude, duration and frequency of transient fluctuations will vary due to EDS configuration and/or circuit arrangement. In addition, disturbances of indeterminate magnitude and duration may occur on infrequent occasions due to short circuits, faults, and other unpredictable conditions.

Transient voltages should be evaluated in the design of the Facility.

4.0.2 Noise and Harmonics

The introduction of abnormal noise/harmonics can cause abnormal neutral current flow, and excessive heating of electrical equipment. Harmonics may also cause distortion in TV pictures, telephone interference, and malfunctions in digital equipment such as computers. The permissible level of harmonics is dependent upon the voltage level and short circuit ratio at a given location. IEEE Standard 1547 provides these levels at the PCC. In requiring adherence to IEEE Standard 1547 the Company is in no way making a recommendation regarding the level of harmonics that a given piece of equipment can tolerate nor is it making a recommendation as to the permissible level in the Interconnecting Customer's Facility.

4.0.3 Frequency

The interconnected electric power system in North America, which is maintained at 60 hertz ("Hz") frequency on its alternating current services, is subject to certain deviations. The usual maximum

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instantaneous deviation from the standard 60 Hz is $\pm 2/10$ cycle ($\pm 0.33\%$), except on infrequent occasions when the deviation may reach $\pm 1/10$ cycle ($\pm 0.17\%$). The usual normal deviation is approximately $\pm 1/20$ cycle ($\pm 0.083\%$). These conditions are subject to occur at any time of the day or night and should be considered in the design of the Facility. All are measured on a 60 Hz base.

4.0.4 Voltage Level

All electricity flow across the PCC shall be in the form of single-phase or three-phase 60 Hz alternating current at a voltage class determined by mutual agreement of the Parties.

4.0.5 Machine Reactive Capability

Facilities less than 1 megawatt ("MW") will not be required to provide reactive capability, except as may be provided by the retail rate schedule and Terms and Conditions for Distribution Services under which the Customer takes service.

Facilities greater than or equal to 1 MW interconnected with the Company EDS shall be required to provide reactive capability to regulate and maintain EDS voltage at the PCC as per NEPOOL requirements. The Company and NEPOOL shall establish a scheduled range of voltages to be maintained by the Facility. The reactive capability requirements shall be reviewed as part of the Impact Study and Detailed Study.

4.2 Protection Requirements for New or Modified Facility Interconnections with the EDS

4.2.1 General Requirements

Any Facility desiring to interconnect with the Company EDS or modify an existing interconnection must meet minimum specifications, where applicable, as set forth in the following documents and standards as may be amended from time to time and requirements in this Section.

- IEEE Standard 1547, "IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems."
- UL Standard 1741, "Inverters, Converters and Charge Controllers for Use in Independent Power Systems."

In the event that the IEEE or UL Standards referenced above conflict with the Company's ESB 756, the Company's ESB 756 where applicable to Rhode Island shall be followed.

The specifications and requirements listed herein are intended to mitigate possible adverse impacts caused by the Facility on the Company's equipment and personnel and on other Interconnecting Customers of the Company. They are not intended to address protection of the Facility itself or its internal load. It is the responsibility of the Facility to comply with the requirements of all appropriate standards, codes, statutes and authorities to protect itself and its loads.

The Company shall not be responsible for the protection of the Facility. The Facility shall be

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responsible for protection of its system against possible damage resulting from parallel operation with the Company so long as the Company adheres to Good Utility Practice. If requested by the Interconnecting Customer, the Company will provide system protection information for the line terminal(s) directly related to the interconnection. This protection information contained herein is provided exclusively for use by the Interconnecting Customer to evaluate protection of its Facility during parallel operation.

At its sole discretion, the Company may consider approving alternatives that satisfy the intent of the requirements contained in this Section.

4.2.2 Facility Classification

To determine the protection requirements for a given Facility, the following Groups have been established:

Group	Type of Interconnection
1	Facilities Qualified for Simplified Interconnection
2	All Facilities Not Qualified for Simplified Interconnection

4.2.3 Protection Requirements

All Facilities must meet performance requirements set forth in relevant sections of IEEE Standard 1547, in particular, the attachments specific to Under Voltage Ride Through, Under Frequency Ride Through and VAr control. Additionally, all Facilities must meet the Company's ESB-756.

4.2.4 Group 1 Facilities

- a. The inverter-based Facility shall be considered *Listed* if it meets requirements set forth in Section 3.1 "Simplified Process".
- b. **External Disconnect Switch:** For Listed inverters, the Company may require an external disconnect switch (or comparable device by mutual agreement of the Parties) at the PCC with the Company or at another mutually agreeable point that is accessible to Company personnel at all times and that can be opened for isolation if the switch is required. The switch shall be gang operated, have a visible break when open, be rated to interrupt the maximum generator output and be capable of being locked open, tagged and grounded on the Company side by Company personnel. The visible break requirement can be met by opening the enclosure to observe the contact separation. The Company shall have the right to open this disconnect switch in accordance with this Interconnection Tariff.

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4.2.5 Group 2 Facilities

a) General Requirements

- i. **Non-Export Power:** If the Parties mutually agree that non-export functionality will be part of the interconnection protection equipment then it will include one of the following: (1) a reverse power relay with mutually agreed upon delay intervals, or (2) a minimum power function with mutually agreed upon delay intervals, or (3) other mutually agreeable approaches, for example, a comparison of nameplate rating versus certified minimum Customer premises load.
- ii. The ISO-NE is responsible for assuring compliance with NPCC criteria. For the interconnection of some larger units, the NPCC criteria may additionally require:

NPCC Protective Relaying Requirements: The Company may require the Facility to be equipped with two independent, redundant relaying systems in accordance with NPCC criteria, where applicable, for the protection of the bulk power system if the interconnection is to the bulk power system or if it is determined that delayed clearing of faults within the Facility adversely affects the bulk power system.

NPCC Requirements: During system conditions where local area load exceeds system generation, NPCC Emergency Operation Criteria requires a program of phased automatic under frequency load shedding of up to 25% of area load to assist in arresting frequency decay and to minimize the possibility of system collapse.

Depending on the point of connection of the Facility to the Company's EDS and in conformance with the NPCC Emergency Operating Criteria, the Facility may be required to remain connected to the EDS during the frequency decline to allow the objectives of the automatic load shedding program to be achieved, or to otherwise provide compensatory load reduction, equivalent to the Facility's generation lost to the system, if the Interconnecting Customer elects to disconnect the Facility at a higher under-frequency set point.

- iii. **Disconnect Switch:** The Facility shall provide a disconnect switch (or comparable device mutually agreed upon by the Parties) at the point of Facility interconnection that can be opened for isolation. The switch shall be in a location easily accessible to Company personnel at all times. The switch shall be gang operated, have a visible break when open, be rated to interrupt the maximum generator output and be capable of being locked open, tagged and grounded on the Company side by Company personnel. The visible break requirement can be met by opening the enclosure to observe the contact separation. The Company shall exercise such right in accordance with Section 7.0 of this Interconnection Tariff.
- iv. **Transfer Tripping:** A direct transfer tripping system, if one is required by either the Interconnecting Customer or by the Company, shall use equipment generally accepted for use by the Company and shall, at the option of the Company, use dual channels.

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b) Requirements for Induction and Synchronous Generator Facilities

- i. **Interconnection Interrupting Device:** An interconnection Interrupting Device such as a circuit breaker shall be installed to isolate the Facility from the Company's EDS. If there is more than one Interrupting Device, this requirement applies to each one individually. The Interconnection Interrupting Device must be capable of interrupting the current produced when the Facility is connected out of phase with the Company's EDS, consistent with Section 4.1.8.3 of IEEE Standard 1547 which states, "the interconnection system paralleling-device shall be capable of withstanding 220% of the interconnection system rated voltage."
- ii. **Synchronizing Devices:** The Interconnecting Customer shall designate one or more Synchronizing Devices such as motorized breakers, contactor/breaker combinations, or a fused contactor (if mutually agreeable) to be used to connect the Facility's generator to the Company's EDS. This Synchronizing Device could be a device other than the interconnection Interrupting Device. The Synchronizing Device must be capable of interrupting the current produced when the Facility is connected out of phase with the Company's EDS, consistent with Section 4.1.8.3 of IEEE Standard 1547 which states, "the interconnection system paralleling-device shall be capable of withstanding 220% of the interconnection system rated voltage."
- iii. **Transformers:** The Company reserves the right to specify the winding connections for the transformer between the Company's voltage and the Facility's voltage ("Step- Up Transformer") as well as whether it is to be grounded or ungrounded at the Company's voltage. In the event that the transformer winding connection is grounded-wye/grounded-wye the Company reserves the right to specify whether the generator stator is to be grounded or not grounded. The Interconnecting Customer shall be responsible for procuring equipment with a level of insulation and fault- withstand capability compatible with the specified grounding method.
- iv. **Voltage Relays:** Voltage relays shall be frequency compensated to provide a uniform response in the range of 40 to 70 Hz.
- v. **Protective Relaying Redundancy:** For induction generators greater than 1/15 of on- site minimum verifiable load that is not equipped with on-site capacitors or that is greater than 200 kW, and for all synchronous generators, protective relays utilized by the Facility shall be sufficiently redundant and functionally separate so as to provide adequate protection, consistent with Company practices and standards, upon the failure of any one component.
- vi. **Protective Relay Hard-Wire Requirement:** Unless authorized otherwise by the Company, protective relays must be hardwired to the device they are tripping. Further, interposing computer or programmable logic controller or the like is not permitted in the trip chain between the relay and the device being tripped.
- vii. **Protective Relay Supply:** Where protective relays are required in this Section, their control circuits shall be DC powered from a battery/charger system or a UPS. Solid- state

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relays shall be self-powered, or DC powered from a battery/charger system or a UPS. If the Facility uses a Company-acceptable non-latching interconnection contactor, AC powered relaying shall be allowed provided the relay and its method of application are fail safe, meaning that if the relay fails or if the voltage and/or frequency of its AC power source deviate from the relay's design requirements for power, the relay or a separate fail-safe power monitoring relay acceptable to the Company will immediately trip the generator by opening the coil circuit of the interconnection contactor.

- viii. **Current Transformers ("CT"):** CT ratios and accuracy classes shall be chosen such that secondary current is less than 100 amperes and transformation errors are consistent with Company practices. CTs used for revenue class metering must have a secondary current of 20 amperes or less.
- ix. **Voltage Transformers ("VT") s and Connections:** The Facility shall be equipped with a direct voltage connection or a VT, connected to the Company side of the Interrupting Device. The voltage from this VT shall be used in an interlock scheme, if required by the Company. For three-phase applications, a VT for each phase is required. All three phases must be sensed either by three individual relays or by one relay that contains three elements. If the voltage on any of the three phases is outside the bounds specified by the Company, the unit shall be tripped. If the Facility's Step- Up Transformer is ungrounded at the Company voltage, this VT shall be a single three-phase device or three single-phase devices connected from each phase to ground on the Company's side of the Facility's Step-Up Transformer, rated for phase- to-phase voltage and provided with two secondary windings. One winding shall be connected in open delta, have a loading resistor to prevent ferroresonance, and be used for the relay specified in these requirements.

c) Additional Requirements for Induction Generator Facilities

- i. **Self-Excitation:** A Facility using induction generators connected in the vicinity of capacitance sufficient to self-excite the generator(s) shall meet the requirements for synchronous machines. The capacitors that enable self-excitation may actually be external to the Facility. The Company will not restrict its existing or future application of capacitors on its lines nor restrict their use by other Interconnecting Customers of the Company to accommodate a Facility with induction machines. If self-excitation becomes possible due to the installation of or presence of capacitance, the protection requirements of the Facility may need to be reviewed and revised, if applicable.

The Facility may be required to install capacitors to limit the adverse effects of drawing reactive power from the EDS for excitation of the generator. Capacitors for supply of reactive power at or near the induction generator with a kilovolts-ampere reactive ("kVAr") rating greater than 30% of the generator's kW rating may cause the generator to become self-excited. (If self-excitation can occur, the Facility shall be required to provide protection as specified in synchronous machines requirements.)

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d) Additional Requirements for Synchronous Generator Facilities

- i. **Ungrounded Transformers:** If the Facility's Step-Up Transformer connection is ungrounded, the Facility shall be equipped with a zero sequence over-voltage relay fed from the open delta of the three-phase VT specified in the Voltage Transformers and Connections Section 4.2.5(b)ix.
- ii. **High-Speed Protection:** The Facility may be required to use high-speed protection if time-delayed protection would result in degradation in the existing sensitivity or speed of the protection systems on the Company's EDS.
- iii. **Breaker Failure Protection:** The Facility may be required to be equipped to provide local breaker failure protection which may include direct transfer tripping to the Company's line terminal(s) in order to detect and clear faults within the Facility that cannot be detected by the Company's back-up protection.
- iv. **Communications Channels:** The Interconnecting Customer is responsible for procuring any communications channels necessary between the Facility and the Company's stations, and for providing protection from transients and over-voltages at all ends of these communication channels. The Interconnecting Customer will also bear the ongoing cost to lease these communication channels. Examples include, but are not limited to, connection to a line using high-speed protection, transfer tripping, generators located in areas with low-fault currents, or back up for generator breaker failure.

4.2.6 Protection System Testing and Maintenance

The Company shall have the right to witness the commissioning testing as defined in IEEE Standard 1547-2003 at the completion of construction and to receive a copy of all test data. The Facility shall be equipped with whatever equipment is required to perform this test.

Testing typically includes, but is not limited to:

- a) CT and VT circuit polarity, ratio, insulation, excitation, continuity and burden tests,
- b) Relay pick-up and time delay tests,
- c) Functional breaker trip tests from protective relays,
- d) Relay in-service test to check for proper phase rotation and magnitudes of applied currents and voltages,
- e) Breaker closing interlock tests, and
- f) Paralleling and disconnection operation.

Prior to final approval by the Company or anytime thereafter, the Company reserves the right to test the generator relaying and control related to the protection of the Company's EDS.

The Interconnecting Customer has the full responsibility for the proper periodic maintenance of its generating equipment and its associated control, protective equipment and interrupting devices. The Interconnecting Customer is responsible for the periodic maintenance of those relays, interrupting

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devices, control schemes, and batteries that involve the protection of the Company's EDS. A periodic maintenance program, mutually agreeable to both the Company and to the Interconnecting Customer is to be established in each case. The Company shall have the right to monitor the periodic maintenance performed.

For relays installed in accordance with the NPCC Criteria for the Protection of the Bulk Power System, maintenance intervals shall be in accordance with such criteria. The results of these tests shall be summarized by the Interconnecting Customer and reported in writing to the Company.

The Company reserves the right to install special test equipment as may be required to monitor the operation of the Facility and its control or for evaluating the quality of power produced by the Facility at a mutually agreed upon location. The cost of this testing will be borne by the Company unless there is shown to be a problem associated with the Facility or if the test was performed at the request of the Interconnecting Customer.

Each routine check shall include both a calibration check and an actual trip of the circuit breaker or contactor from the device being tested. Visually setting a calibration dial, index or tap is not considered an adequate calibration check.

Inverters with field adjustable settings for their internal protective elements shall be periodically tested if those internal elements are being used by the Facility to satisfy the requirements of this Section.

4.2.7 Protection Requirements – Momentary Paralleling of Standby Generators

Protective relays to isolate the Facility for faults in the Company EDS are not required if the paralleling operation is automatic and takes place for less than one-half of a second. An Interrupting Device with a half-second timer (30 cycles) is required as a fail-safe mechanism.

Parallel operation of the Facility with the Company EDS shall be prevented when the Company's line is dead or out of phase with the Facility.

The control scheme for automatic paralleling must be submitted by the Interconnecting Customer for review and acceptance by the Company prior to the Facility being allowed to interconnect with the Company EDS.

4.2.8 Protection System Changes

The Interconnecting Customer must provide the Company with reasonable advance notice of any proposed changes to be made to the protective relay system, relay settings, operating procedures or equipment that affect the interconnection. The Company will determine if such proposed changes require additional review and/or approval of the interconnection per the requirements of this Section.

In the future, should the Company implement changes to the EDS to which the Facility is interconnected, the Interconnecting Customer will be responsible at its own expense for identifying and incorporating any necessary changes to its protection equipment. These changes to the Facility's protection equipment are subject to review and approval by the Company.

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4.3 Limited-Export and Non-Exporting Facilities

4.3.1 General Requirements

The Export Capacity of a Facility shall be considered limited if the Facility complies with the requirements of Section 4.3, subsections 4.3.2 through 4.3.4 to limit the export of electrical power across the Point of Common Coupling, using a means that is acceptable to the Company's technical standards. If the Facility utilizes a design that meets the requirements of Section 4.3, that will determine the Export Capacity of a Facility for use in the Simplified, Expedited, Standard and Complex Processes.

To prevent impacts on system safety and reliability, the Interconnecting Customer shall provide proposed Facility capabilities including sequence of operation, Facility equipment response times, potential maximum export, and other criteria as defined in the Company's technical standards, to the Company as part of the Interconnection Application to describe the proposed Facility operation and any potential Inadvertent Export. The Export Capacity specified by the Interconnecting Customer in the Interconnection Application, including the proposed operating schedule, will be included as an operational limitation in the Interconnection Service Agreement.

Export Capacity will be factored into specific screens and application eligibility criteria elsewhere within the tariff, and shall be considered by the Company, as appropriate, when performing reviews and/or engineering analyses. Complying with any of the requirements of subsections 4.3.2. through 4.3.4 does not supersede the need for additional protective relays for other Protective Functions as defined by the Company and addressed elsewhere in this tariff.

4.3.2 Power Limiting via Protective Functions

Directional power flow at the Point of Common Coupling may be monitored in order for the Facility to take action upon sensing reverse power flow onto the Area EDS or sensing of power import to the Facility below a specific setpoint. The following Protective Functions are acceptable:

- a) A reverse power Protective Function to ensure zero power production from the Facility across the Point of Common Coupling.
- b) A Protective Function to ensure a pre-defined power import or Limited Export to/ from the Facility, across the Point of Common Coupling.

Dynamic adjustment of the Protective Function in response to a utility control signal will be permissible upon mutual agreement between the Company and Interconnecting Customer. In all instances where a Protective Function is employed to limit the power export, the device must be certified for its intended use by a NRTL.

The device(s) that contain(s) the Protective Function may utilize adjustable or fixed trip point and/or time delay settings:

- a) For adjustable setting devices, the Interconnecting Customer shall provide to the Company their proposed settings (limit value, trip or cease to energize setting and/or time delay) and describe the manner in which the settings are protected from inadvertent or malicious adjustment on their one-line diagram in their Interconnection Application.

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- b) For fixed setting devices, the Interconnecting Customer shall provide the fixed setpoints (limit value, trip or cease to energize setting and/or time delay) on their one-line diagram in their Interconnection Application.
- c) For all devices, the Interconnecting Customer must provide proof of NRTL certification and equipment accuracy data within the Interconnection Application documentation, as required in the Company's technical standards.

Protective Function device settings may vary depending on the specifics of the proposed Facility design, proposed equipment, and the electrical characteristics of the interconnecting feeder. The Company will provide permissible setting range(s) and similar technical guidance in the Company's technical standards.

Subject to the Company's technical standards, Protective Functions and associated equipment include, but are not limited to:

- a) A utility-grade (IEEE C37.90 compliant) protective relay with an ANSI 32element (directional power) configured to maintain one of the following:
 - i. Maximum export value across the PCC
 - ii. Zero export across PCC
 - iii. Minimum import to facility from the PCC
- b) A certified Power Control System set to maintain power output in accordance with one of the following:
 - i. Maximum export value across the PCC
 - ii. Zero export across PCC
 - iii. Minimum import to facility from the PCC

The Export Capacity value for systems that qualify under this section is exclusive of Inadvertent Export. The aggregate Inadvertent Export of all Facilities on the circuit may need to be further evaluated.

4.3.3 Reduced Rating Capacity

A reduced capacity rating below that of the Nameplate Rating may be included in the Facility design in order to lower the Export Capacity of the Facility. The reduced capacity rating must be applied to customer equipment that directly allows for power flow from the Facility and whose rating reduction will make the Facility physically incapable of producing power above a specific value. Most typically, this reduced rating capacity is expected to be applied to the Facility inverters.

The reduced Nameplate Rating shall be implemented by the manufacturer or its representatives and shall not be field adjustable by anyone other than the manufacturer or its representatives. The reduced Nameplate Rating shall be indicated by means of a Nameplate Rating replacement, or by a supplemental adhesive Nameplate Rating tag to indicate the reduced Nameplate Rating. At the discretion of the Company the Interconnecting Customer may additionally be required to provide a letter from the manufacturer confirming the reduced capacity.

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4.3.4 Limited Export Using Mutually Agreed-Upon Means

Facilities may be designed with other control systems and/or Protective Functions to limit export and/or Inadvertent Export to levels mutually agreed upon by the Interconnecting Customer and Company. The proposed design scheme must be approved by the Company in accordance with Company technical requirements.

5.0 Responsibility for Costs of Interconnecting a Facility

5.1 Review and Study Costs

The Interconnecting Customer shall be responsible for the reasonably incurred costs of the review by the Company and any interconnection studies conducted as defined by Table 2 ("Fee Schedules") of Section 3.0 of this Interconnection Tariff solely to determine the requirements of interconnecting a Facility with the Company EDS.

5.2 Interconnection Equipment Costs

The Interconnecting Customer shall be responsible for all costs associated with the installation and construction of the Facility and associated interconnection equipment on the Interconnecting Customer's side of the PCC, less any System Improvements.

5.3 System Modification Costs

The Interconnecting Customer shall only pay for that portion of the interconnection costs resulting solely from the System Modifications required to allow for safe, reliable parallel operation of the Facility with the Company EDS; provided, however, the Company may only charge an Interconnecting Customer for System Modifications specifically necessary for and directly related to the interconnection, excluding modifications required on the Transmission infrastructure. The Interconnecting Customer shall also be responsible for all costs reasonably incurred by the Company attributable to:

- a) The proposed interconnection project in designing, constructing, operating and maintaining the System Modifications required to allow for safe, reliable parallel operation of the Facility with the Company EDS, or
- b) Resulting from the Facility operating in conjunction with any existing Facilities, or
- c) Other proposed Facilities that precede the Facility in the interconnection queue.

At the time that the Company provides an Interconnecting Customer with any Impact Study or Detailed Study, the Company shall also provide, along with that Study, a statement of the Company's policies on collection of tax gross-ups.

As appropriate, to the extent that subsequent Interconnecting Customers benefit from System Modifications that were paid for by an earlier Interconnecting Customer, subsequent Interconnection Customers who benefit from those same System Modifications may retroactively contribute a portion of the initial costs, which may be refunded to the earlier customer. In this scenario, the Company may assess a portion of the costs to such subsequent Interconnecting Customers, which will be refunded to

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the earlier Interconnecting Customer if collected. Such assessments may occur for a period of up to five years from the Effective Date of the earlier Interconnecting Customer's Interconnection Service Agreement.

5.4 Separation of Costs

- a. The Company may combine the installation of System Modifications with System Improvements to the Company's EDS to serve the Interconnecting Customer or other customers, but shall not include the costs of such System Improvements in the amounts billed to the Interconnecting Customer for the System Modifications required pursuant to this Interconnection Tariff. Interconnecting Customers shall be directly responsible to any Affected System operator for the costs of any System Modifications necessary to the Affected Systems.
- b. Effective for Renewable Interconnecting Customer Applications filed on or after July 1, 2017, in the event that the Commission determines that a specific System Modification of the electric distribution system benefits other customers and has been accelerated due to an interconnection request and orders the Renewable Interconnecting Customer to fund the modification, the Renewable Interconnecting Customer will be entitled to repayment of the depreciated value of the modification as of the time the modification would have been necessary as determined by the Commission. Subsequent Renewable Interconnecting Customers will be responsible for prorated payments within ten (10) years of the earlier Renewable Interconnecting Customer's payment toward System Modifications.
- c. The Company will consider a system modification to be an accelerated modification if such modification is otherwise identified in the Company's work plan as a necessary capital investment to be installed within a five-year period as of the date the Company begins the impact study of the proposed distributed generation (DG) project (defined as an Accelerated Modification). The Company will identify the Accelerated Modification and the cost thereof in the impact study. The Renewable Interconnecting Customer will be responsible for the identified Accelerated Modification costs less the depreciated value (Modified Costs), which Modified Costs will be estimated in the interconnection service agreement (ISA). Upon reconciliation, final labor, material and depreciation values will be provided based on the actual date of asset installation in the same price categories as originally proposed in the ISA to the customer so that a comparison can be made. The Company will file with the Commission all executed ISAs for Renewable Interconnecting Customer DG projects with an identified Accelerated Modification by July 1 of each year.
- d. Renewable Interconnecting Customers may also petition the Commission directly if the Renewable Interconnecting Customer believes it has been incorrectly charged for an Accelerated Modification under Section 5.4. In these cases, the Renewable Interconnecting Customer shall be responsible to pay for the cost of the system modification pursuant to the ISA, unless and until a determination has been made by the Commission. In all cases, the Company will be entitled to recover the costs of any unpaid portion of an Accelerated Modification(s) in rates.

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5.5 Normal Payment Procedure

All application, study fees, and System Modification costs (except as noted below) are due in full prior to the execution of the work as outlined in this Interconnection Tariff. If the anticipated costs exceed \$25,000, the Interconnecting Customer is eligible for a payment plan, including a payment and construction schedule with milestones for both parties. At the request of the Interconnecting Customer, the Company will break the costs into phases in which the costs will be collected prior to Company expenditures for each phase of the study and/or construction including ordering equipment. The payment plan will be attached as an exhibit to the ISA or relevant study agreements. The Company will not be required to initiate any work for which advanced payment has not been received.

The Company within ninety (90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the ISA, or completion of the relevant study if the Interconnecting Customer does not execute an ISA, and all Company work orders have been closed, shall provide the Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the ISA or relevant study agreement, as the case may be, for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g. statutorily set study fees for the ISR DG), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute, including supporting documentation in the same price categories as originally proposed in the ISA to the customer so that a comparison can be made. To the extent that Interconnecting Customer's cost responsibility in the ISA for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds the Interconnecting Customer's previous aggregate payments, the Company shall invoice the Interconnecting Customer and the Interconnecting Customer shall make payment to the Company within 45 days. To the extent that the Interconnecting Customer's previous aggregate payments exceed the Interconnecting Customer's cost responsibility under the applicable agreement, the Company shall refund to the Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.

5.6 Security and Creditworthiness

In order for the Company to agree to any payment plan where some work may be performed in advance of payment, the Company may require the Interconnecting Customer to provide evidence of creditworthiness. In the event that Interconnecting Customer cannot provide such evidence to the satisfaction of the Company, then the Company may require the Interconnecting Customer to provide sufficient security in order to take advantage of a payment plan. Interconnecting Customer acknowledges that it will be responsible for the actual costs of the System Modifications described in the attached exhibit to the Interconnection Service Agreement, whether greater or lesser than the amount of the payment security provided under this section.

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6.0 Operating Requirements

6.1 General Operating Requirements

Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EDS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of this Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference

Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EDS or if operation of the Facility could cause damage to Company EDS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EDS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating through the Company EDS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EDS, and outages on the Company EDS. If the Interconnecting Customer demonstrates that the Company EDS is adversely affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance

Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Interconnection Tariff. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's

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EDS, personnel, and other persons from damage and injury. The Interconnecting Customer is responsible to comply with switching protocol established with the Company for connection to the EDS.

6.4 Access

The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives

Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment

If necessary for the purposes of this Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under this Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information

The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EDS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.6.

7.0 Disconnection

7.1 Temporary Disconnection

- a. **Emergency Conditions.** Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EDS or to the electric systems of others to which the Company EDS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EDS. To the extent

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information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

- b. **Routine Maintenance, Construction and Repair.** Company shall have the right to disconnect the Facility from the Company EDS when necessary for routine maintenance, construction and repairs on the Company EDS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the PCC, the Interconnecting Customer will provide a minimum of seven days' notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.
- c. **Forced Outages.** During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EDS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EDS without such notice.
- d. **Non-Emergency Adverse Operating Effects.** The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EDS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.
- e. **Modification of the Facility.** Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.
- f. **Re-connection.** Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EDS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection

The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

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8.0 Metering, Monitoring, and Communication

This Section sets forth the rules, procedures and requirements for metering, monitoring and communication between the Facility and the Company EDS where the Facility exports power or is net metered or is otherwise subject to ISO-NE requirements. Interconnecting Customer will be responsible for reasonable and necessary costs incurred by Company for the purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment specified in the Attachments to the Interconnection Service Agreement. Interconnecting Customer's metering (and data acquisition, as required) equipment shall conform to rules and applicable operating requirements.

8.1 Metering, Related Equipment and Billing Options

The Company shall furnish, read and maintain all revenue metering equipment. The Interconnecting Customer shall furnish and maintain all meter mounting equipment such as or including meter sockets, test switches, conduits, and enclosures. The Company shall own the meter and the Interconnecting Customer shall pay to the Company a monthly charge to cover taxes, meter maintenance, incremental reading and billing costs, the allowable return on the invoice cost of the meter and the depreciation of the meter. These charges are set forth in the applicable Company tariff(s), as amended from time to time. Metering requirements and associated charges for Qualifying Facilities and On-Site Generating Facilities are set forth in the applicable Company tariff(s), as amended from time to time. All metering must meet the requirements contained in the Company's Electric Service Bulletin (ESB) 750, section 7; Metering, as may be amended from time to time.

The Interconnecting Customer shall provide suitable space within the Facility for installation of the metering, and communication equipment at no cost to the Company.

If the Metering Point and the Point of Receipt or Point of Delivery are not at the same location, the metering equipment shall record delivery of electricity in a manner that accounts for losses occurring between the Metering Point and the Point of Receipt or Point of Delivery. Losses between the Metering Point and Point of Receipt will be reflected pursuant to applicable Company, ISO-NE criteria, rules or standards.

The type of metering equipment to be installed at a Facility is dependent on the (size) of the Facility and how and if the Facility plans to export power or net meter. For those that will export power or net meter, the available equipment options and associated requirements are:

- a) Net Metering – For Facilities described in the Company's Net Metering Provision, the Facilities will be equipped with net metering in which metering equivalent to or replicating that of a standard distribution class meter is installed and is enabled to run in a normal direction during periods of net consumption and to run backwards during periods of net generator output. All metering equipment included in this type of installation, including self-contained meters and instrument transformers and meters, shall meet ANSI C12.1 Metering Accuracy Standards and ANSI C57.13 accuracy requirements for instrument transformers. For net-metered units over 25 kW, remote access will be required. The Interconnecting Customer shall be responsible for providing all necessary leased or wireless telephone lines and any necessary protection for

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leased lines to remotely access these meters. In the event a wireless meter is requested, and the request is granted by the Company, the Interconnecting Customer will be responsible for all wireless communication charges paid on behalf of the Interconnecting Customer by the Company.

- b) Renewable Energy Growth Program – For Facilities enrolled in the Company’s Renewable Energy Growth Program, metering shall be installed in parallel with the existing metering on-site (if applicable)
- c) Renewable Energy Growth Program and other non-net metered units under 25 kW: Bi-directional, non-interval meter without remote access – in which a distribution class meter with import and export capabilities is installed. Import capabilities will record energy flows from the Company to the Facility during periods when the Facility is a net consumer of energy (the export function will record no flow during these periods) and an export capabilities will record energy flows from the Facility to the Company during periods when the Facility is a net producer of energy (the import function will record no flow during these periods). The import and export capabilities will record total flows only and will not record flows during specific intervals.
- d) Renewable Energy Growth Program and other non-net metered units over 25 kW: Bi-directional, interval meter with remote access – in which a distribution class meter with import and export capabilities is installed. Import capabilities will record energy flows from the Company to the Facility during periods when the Facility is a net consumer of energy (the export function will record no flow during these periods) and an export capabilities will record energy flows from the Facility to the Company during periods when the Facility is a net producer of energy (the import function will record no flow during these periods). The import and export capabilities will record total flows as well as flows during hourly intervals. In addition, the meters will be equipped with remote access capability that may include communication to the extent required by applicable NEPOOL standards. Any existing Company meter on the Interconnecting Customer’s premise will be changed to an interval meter and will require remote access as outlined below. All metering equipment included in this type of installation shall meet the requirements contained in ISO-NE Operating Procedure No. 18, “Metering and Telemetering Criteria” and the Company’s Electric Service Bulletin (ESB) 750, section 7; Metering, as may be amended from time to time. Copies of both publications are available from the Company upon request. The Interconnecting Customer shall be responsible for providing all necessary leased or wired telephone lines and any necessary protection for leased lines to remotely access these meters. In the event that an Interconnecting Customer requests a wireless meter and the Company grants the request, the Interconnecting Customer will be responsible for all wireless communication charges paid on behalf of the Interconnecting Customer by the Company. In addition, the Interconnecting Customer is responsible for all communication required by ISO-NE, or by ISO- NE’s designated satellite. The Interconnecting Customer shall maintain all communication and transducer equipment at the Facility in accordance with ISO- NE criteria, rules and standards.

Units over 5 MW: Facilities which are greater than or equal to 5 MW or in aggregate with other Facilities on the same feeder and near the point of interconnection are 5 MW or greater

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are governed by NEPOOL Operating Procedures No. 14 and No. 18 and are required to provide communication equipment and to supply accurate and reliable information to system operators regarding metered values for MW, MVAR, volt, amp, frequency, breaker status and all other information deemed necessary by ISO-NE and REMVEC) as well as a 24/7 contact name and phone number for operational instructions from the ISO-NE.

8.2 Additional Monitoring and Communication Requirements

As the amount of distributed generation on the Company EDS grows significantly, additional monitoring and communication may be required by the Commission pursuant to a future proceeding.

9.0 Dispute Resolution Process

The Dispute Resolution Process is a multi-stage process described below. The dispute resolution process is appropriate where there is a factual dispute over whether a rule, regulation or tariff has been violated. The dispute resolution process is for project-specific disputes; it is not a forum to challenge an existing policy, rule, regulation, tariff provision, or executed ISA. Neither a third-party mediator/arbitrator nor Commission staff can propose a resolution that shifts costs properly allocated to an Interconnecting Customer under the tariff to the general body of customers. Interconnection issues within the Commission's jurisdiction, which require a Commission ruling on issues of law or tariff interpretation, are not appropriate for the Dispute Resolution Process, and must be addressed through a Petition under the Commission's Rules of Practice and Procedure.

9.1 Good Faith Negotiation

- a. One party submits a request in writing to the other party for initiation of Step 9.1 of the Dispute Resolution Process. The Parties will elevate the dispute to a Vice President or senior management with sufficient authority to make a decision.
- b. If, after 8 days, the dispute is still not resolved, one or both Parties may initiate Section 9.2.a

9.2 Mediation/Non-binding Arbitration

- a. If the dispute is not resolved under Section 9.1, one party to the dispute may request dispute resolution assistance by submitting a written request to the Commission. The request must include the following information:
 1. The rule, regulation, or tariff provision in dispute. If the request is being submitted by the Customer, the request should clearly state the rule, regulation, or tariff provisions the Customer believes the Company violated.
 2. A concise and comprehensive recitation of the facts of the dispute.
 3. A clear statement of the remedy sought. The Commission does not have jurisdiction to award monetary damages under this tariff or Rhode Island General Laws Sections 39-26.3-1 to 6.

The party requesting mediation/non-binding arbitration ("Requesting Party") shall provide a copy of the written request to the other party, the Division of Public Utilities and Carriers and the Office of Energy

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Resources at the same time that it submits its written request to the Commission. Within ten business days after the written request to the Commission for dispute resolution, the other party shall also submit a summary of the situation to the Commission and provide a copy of the summary to the Requesting Party.

- b. Within 17 business days of the submission of a petition to convene the Dispute Resolution Process, the Parties will meet with Commission staff at a date and time set by the Commission staff. During that meeting, they may assist the parties in attempting to resolve the outstanding differences, or shall provide two options to the parties: (1) to engage with the Commission staff to attempt to resolve the dispute or make recommendations to the Commission or (2) to proceed with formal mediation/arbitration as set forth in 9.2.c-l.

In the event the parties choose to engage the assistance of the Commission staff, the Commission staff will set a reasonable schedule for the submission of any discovery issued by the Commission staff and for a subsequent meeting with the parties. The matter will proceed as directed by the Commission staff and any party may request to move to the formal third-party mediation/arbitration set forth in 9.2.c-l prior to the final meeting conducted by the Commission staff. Any information obtained by the Commission staff, maintained by the Commission Clerk, shall be made available to the third-party mediator/arbitrator. Within ninety (90) business days of the convening of the Dispute Resolution Process, the Commission staff shall submit a summary of the dispute resolution process with the resolution, if one was agreed to, or recommendations to the Commission for its review under Rule 9.3.

- c. If the differences are not resolved in Step 9.2.b, the Commission will provide a list of qualified neutrals and manage the selection of individual neutrals for the case. The Commission will use a list of pre-qualified neutrals maintained at the Commission and, the Parties will select a mutually agreeable mediator pursuant to a reverse-strike-out process³ or another mutually-agreeable method. If either party requests a technical expert, both a mediator and a technical expert will be selected, and the technical expert will be selected using the same strike out process or another mutually-agreeable method as that used for selection of the mediator.
- d. Parties will complete the neutral selection process with the Commission within seven days. This timetable will only be possible if the Commission has, during the initial 14 days, identified mediators and technical experts who have the time available to assist the Parties in a timely manner.
- e. The Commission will arrange for the selected mediator to contact Parties.
- f. The Parties will contract with neutrals for services, splitting the fees 50/50.

³ A "reverse strike out process" involves each party eliminating the least desirable mediator until one is left standing.

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- g. The mediator begins by discussing the case with the disputing Parties to assess the scope of issues and understand the Parties' positions and interests. The mediator and Parties will establish a schedule for completion of mediation within 30 days. Ten days after the 30-day time period begins, the Commission will issue a public notice of the proceeding and will schedule a pre-hearing conference for Section 9.3. The mediator will assist the Parties in developing a scope of work for the technical expert if one is needed. The mediator will also assist the Parties in estimating the Dispute Resolution Process costs and addressing any concerns about those costs.
- h. Mediation meeting or meetings are held.
- i. If the Parties reach agreement, the Dispute Resolution Process ends here.
- j. If the Parties do not reach a mediated agreement, the neutral(s) will issue a brief recommended solution or decision.
- k. If the Parties accept the neutral's recommendation, the Dispute Resolution Process ends here.
- l. If one or both Parties do not accept the neutral recommendation and there is still no agreement, the dispute proceeds to Step 9.3.
- m. Notwithstanding any provisions contained in this section, the parties may agree to have formal arbitrations conducted by Commission staff.

9.3 Commission Adjudicatory Hearing

The goal of this Step is an adjudicatory hearing at the Commission, with witnesses, evidence, etc. that results in a binding precedential decision, appealable to the Rhode Island Supreme Court.

- a. In the event a party does not accept the recommendation in Step 9.2, it may request, in writing, a Commission adjudication.
- b. The Commission holds a pre-hearing conference for which notice has been provided in accordance with Section 9.2.g. The Parties, to the extent desirable and feasible, exchange information and establish an expedited schedule during the pre-hearing conference.
- c. The Commission and the Parties engage in pre-hearing discovery, as needed in the specific case, building on the information developed in Step 9.2, including the mediator's recommendation.
- d. The Commission conducts a hearing.
- e. The Parties file briefs, if one or both desire to do so or the Commission requests they do so. The Parties and the Commission will complete Step 9.3.b through 9.3.e in 90 days.

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- f. The Commission issues its order within 20 days. If it is unable to do so, it will notify the Parties and provide a revised decision date.

The Commission will appoint a hearing officer or other Commission staff person familiar with the DG interconnection process in Rhode Island to oversee the selection of private neutrals and otherwise serve as a resource for DG cases.

Table 3 – Dispute Resolution Timeframes

Dispute Resolution	Timeline
Step 9.1: Good faith negotiation – party submits a request in writing to the other party	–
Parties elevate dispute to VP or Sr. Management for decision	Within 8 days
If dispute not resolved to step 9.2	–
Step 9.2: Submit a written request to the Commission	–
Meet with Commission hearing officer to convene dispute resolution process	Within 17 days
If needed, neutral third party and technical expert are selected	Within 7 days
Public notice of mediation process	Within 10 days of the 30 days listed below
Mediation process	Within 30 days
If still not resolved proceed to step 9.3	–
Step 9.3: Adjudicatory hearing	Within 90 days
Commission issues order	Within 20 days

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9.4 Interconnection Technical Standards Committee

The Interconnection Technical Standards Committee (“ITSC”) will facilitate the timely flow of technical information and introduce potential changes to the technical requirements of interconnection as national standards change. The ITSC shall be comprised of representatives of the Company (two members, at least one of which will have experience in the technical aspects of interconnection and shall be chaired by the Company), the Rhode Island Office of Energy Resources (one member), the Division of Public Utilities and Carriers (one member), industry (two members, with at least one of the members having experience in the technical aspects of interconnection), and ISO-NE (one member). The Chair of the ITSC shall be one of the Company representatives and the Vice Chair will be a technical representative from the DG Community. The ITSC will meet on a schedule to be determined by the Chair and Vice-Chair, but no less than quarterly each year to discuss, among other topics, both common and Company-specific technical standards for DG interconnection. The Chair and Vice Chair shall jointly determine the agenda of each meeting. The Company will host a webpage that includes contact information of the ITSC members, meeting dates and materials, including a quarterly report-out of activities. ITSC meetings are not public open meetings due to the potentially sensitive nature of meeting topics. Industry professionals and the public outside of the ITSC may be made aware of opportunities to attend meetings and may offer comments to the Committee.

The Company will from time to time change or amend its technical standards, specifications, and provisions of the electric service bulletin (“ESB”) for interconnection applications covered in this Interconnection Tariff and for electric service in general. When the Company is considering changes that are likely to materially impact proposed Facilities or future applications in this Interconnection Tariff, the Company shall provide a draft of the proposed changes to its standards to the ITSC and Interconnecting Customers with potentially impacted applications prior to those changes going into effect. In non-emergency scenarios, the Company will make reasonable efforts to provide such proposed changes no less than ninety (90) calendar days prior to implementation, and where practicable the Company will take into consideration feedback from the ITSC about how such changes would impact Interconnecting Customers. Unless specifically prohibited by the Rhode Island Public Utilities Commission, the Company may make any changes to its technical standards that are aligned with Good Utility Practice or otherwise necessary to comply with its obligations to provide safe and reliable electric service as a regulated entity.

10.0 Insurance Requirements

10.1 General Liability

- 10.1(a) In connection with Interconnecting Customer’s performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
 - i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer’s Facility is greater than five (5) MW;

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- ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
 - iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
 - iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.
- 10.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. The Company, however, recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.
- 10.1I Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.
- 10.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 10.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.
- 10.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.
- 10.1(f) In the event the State of Rhode Island, or any other governmental subdivision thereof subject to the claims limits of Rhode Island General Laws Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of Rhode Island General Laws Chapter 9- 31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of Rhode Island General Laws Chapter 9-31 by the Governmental Entity. The Interconnecting Customer must provide proof of their

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eligibility to be classified a Governmental Entity.

10.2 Insurer Requirements and Endorsements

All required insurance shall be carried by reputable insurers qualified to underwrite insurance in Rhode Island having a Best Rating of “A-”. In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days’ written notice to Company prior to cancellation, termination, or material change of such – insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

10.3 Evidence of Insurance

Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with this Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications, and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.0 Limitation of Liability

Effective for Renewable Interconnecting Customer Applications received on or after July 1, 2017, notwithstanding any provision herein to the contrary, any actual damages that a court of competent jurisdiction orders the Company to pay to a Renewable Interconnecting Customer as a direct result of the Company's failure to comply with the timelines for Renewable DG set forth in Table 1 of this Interconnection Tariff shall be subject to Rhode Island General Laws Section 39-26.3-4.1.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit A – Simplified Process Interconnection Application**
Instructions *(please do not submit this page)*

General Information: If you, the Interconnecting Customer, wish to submit an application to interconnect your generating Facility using the Simplified Process (reference Section 3.1 of the Interconnection Tariff for eligibility) please fill out the attached application form completely (not including this page of instructions), including your signature in the space provided.

Interconnections that may be eligible for this Simplified Process include UL 1741-Listed inverter-based Facilities that are either (1) connecting to radial electric power systems with power ratings of ≤ 10 kW single-phase or ≤ 25 kW three-phase, or (2) connecting to spot network electric power systems with power ratings of ≤ 15 kW single-phase. Please attach any documentation provided by the inverter manufacturer concerning the UL 1741 listing provided by the manufacturer.

Mail all material to:

The Narragansett
Electric Company
280 Melrose Street
Providence, RI 02907
Attn: RI Interconnection Application

The Simplified Process is as follows:

1. Application process:
 - a. Interconnecting Customer submits a Simplified Application filled out properly and completely.
 - b. The electric utility (Company) acknowledges to the Interconnecting Customer receipt of the application within 3 business days of receipt.
 - c. Company evaluates the application for completeness and notifies the Interconnecting Customer within 10 business days of receipt that the application is or is not complete and, if not, advises what is missing.
2. Company verifies Facility equipment can be interconnected safely and reliably.
3. If approved, the Company signs the application approval line and sends to the Interconnecting Customer. In certain rare circumstances, the Company may require the Interconnecting Customer to pay for minor System Modifications. If so, a description of work and an estimate will be sent back to the Interconnecting Customer for approval. The Interconnecting Customer would then approve via a signature and payment for the minor System Modifications. If the Interconnecting Customer approves, the Company performs the System Modifications. Then, the Company signs the application approval line and sends to the Interconnecting Customer.
4. Upon receipt of the signed application, the Interconnecting Customer installs the Facility. Then the Interconnecting Customer arranges for inspection of the completed installation by the local electrical wiring inspector, or other authority having jurisdiction, and this person signs the Certificate of Completion. If the Facility was installed by an electrical contractor, this person also fills out the Certificate of Completion.

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5. The Interconnecting Customer returns the Certificate of Completion to the Company.
6. Following receipt of the Certificate of Completion, the Company may inspect the Facility for compliance with standards by arranging for a Witness Test. The Interconnecting Customer has no right to operate in parallel (interconnect) until a Witness Test has been performed or has been previously waived on the Application Form. The Company is obligated to complete this Witness Test within 10 business days of the receipt of the Certificate of Completion. If the Company does not inspect in 10 business days or by mutual agreement of the Parties, the Witness Test is deemed waived.
7. Assuming the wiring inspection and/or Witness Test is satisfactory, the Company notifies the Interconnecting Customer in writing that interconnection is authorized. If the Witness Test is not satisfactory, the Company has the right to disconnect the Facility, and will provide information to the Interconnecting Customer describing clearly what is required for approval.

Contact Information: You must provide the contact information for the legal applicant (i.e. the Interconnecting Customer). If other parties are responsible for interfacing with the Company, you should provide their contact information as well.

Ownership Information: Please enter the legal names of the owner or owners of the Facility. Include the percentage ownership (if any) by any Company or public utility holding company, or by any entity owned by either.

Generating Facility Information: Please consult an actual electric bill from the Electric Service Company and enter the correct Account Number and Meter Number on this application. If the facility is to be installed in a new location, a temporary number may be assigned by the Electric Company.

UL 1741 Listed? The standard UL 1741, “Inverters, Converters, and Controllers for Use in Independent Power Systems,” addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers choose to submit their equipment to a Nationally Recognized Testing Laboratory (“NRTL”) that verifies compliance with UL 1741. This term “Listed” is then marked on the equipment and supporting documentation.

Eligibility Requirements for the Renewable Energy Growth (“REG”)

Program Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and The Narragansett Electric Company will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the REG Program.

Eligible Applicant

An Applicant must be in good standing with regard to obligations to The Narragansett Electric Company. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

The Narragansett Electric Company
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Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC. Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a The Narragansett Electric Company customer's residence where the residential customer receives electric service under the Company's residential rate schedules as provided for in the tariffs governing the REG Program, as may be amended from time to time.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured for net metering but are not required to do so. These projects will receive retail delivery service pursuant to the Company's small and medium rate schedules as provided for in the tariffs governing the REG Program, as may be amended from time to time.

Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications.

Under the REG Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the REG Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit A – Simplified Process Interconnection Application and Service Agreement**Contact Information (PRINT):

Interconnecting Customer: _____ Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Host Retail Customer Contact Information (complete any information that is different from Interconnecting Customer)

Retail Customer: _____ Contact Person _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (primary): _____ Telephone (Secondary) _____

Fax: _____ E-Mail(s): _____

Alternative Contact Information (e.g., system installation contractor or coordinating company, if appropriate):

Contact Name: _____ Company Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Electrical Contractor Contact Information (if appropriate):

Name (Print): _____

Mailing Address: _____ Telephone: _____

City: _____

State: _____

Zip Code: _____

Ownership Information (include % ownership by any electric utility): _____Facility Information:Description:

Address of Facility: _____

City: _____ State: _____ Zip Code: _____

Electric Service Company: _____ Account Number: _____ Meter Number: _____

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Work Request Number (For Upgrades or New Service): _____
 Inverter Manufacturer: _____ Model Name and Number: _____ Quantity: _____
 Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts) Single ☐ or Three ☐ Phase
 System Design Capacity: _____ (kW) _____ (kVA) For Solar PV provide the DC-STC rating: _____ (kW)
 Prime Mover: Photovoltaic ☐ Reciprocating Engine ☐ Fuel Cell ☐ Turbine ☐ Other _____
 Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other _____
 IEEE 1547.1 (UL 1741) Listed? Yes ☐ No ☐ Generating system already exists on current account? Yes ☐ No ☐

Customer Program Elections:

A customer may make a program election for a project on this interconnection application. The Narragansett Electric Company will review the customer's responses provided here and other information to determine whether the project meets these requirements.

Applying for Net Metering? Yes ☐ No ☐

Applying to Renewable Energy Growth Program? Yes ☐ No ☐ (If yes, must be configured for Net Metering and the Customer electric account(s) must be in good standing)

Is the Customer receiving electric service as Basic Residential Rate A-16 or Low Income Rate A-60? Yes ☐ No ☐

Does the Customer have site control for the Project? Yes ☐ No ☐

Is the Project already operating? Yes ☐ No ☐ (If yes, not eligible for Renewable Energy Growth Program)

Is the Project more than 25% constructed? ☐ Yes ☐ No (If yes, not eligible for Renewable Energy Growth Program)

Is the Project segmented (divided or split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications)? ☐ Yes ☐ No (If yes, not eligible for Renewable Energy Growth Program)

Estimated Install Date: _____ Estimated In-Service Date: _____

Renewable Energy Growth Program Selection Only

Panel Manufacturer, Model Name, and Number: _____ Quantity: _____

Azimuth and Tilt of Panels

Azimuth: (compass degree heading) _____ Tilt (degree tilt) _____

Total Project Costs: _____ Electrical Permit Fee: _____

Building Permit Fee: _____

If a project is at an existing location, has the location received an Energy Efficiency Audit? ☐ Yes ☐ No

Contract Term: 15yrs ☐ or 20yrs ☐

When Enrolling in the Renewable Energy Growth Program, customer account information and signature must be provided on the **Payment/Credit Transfer Form** and submitted with this application.

Renewable Energy Growth Program Application Affidavit must be signed and returned with this application.

Customer Signature

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true and I agree to the Terms and Conditions on the following page:

Interconnecting Customer Signature: _____ Title: _____ Date: _____

Please attach any documentation provided by the inverter manufacturer describing the inverter's UL 1741 listing.

Approval to Install Facility (For The Narragansett Electric Company use only)

Installation of the Facility is approved contingent upon the terms and conditions of this Agreement, and agreement to any system modifications, if required (Are system modifications required? Yes ☐ No ☐ To be Determined ☐

The Narragansett Electric Company Signature: _____ Title: _____ Date: _____

Application ID number: _____ Company waives inspection/Witness Test? Yes ☐ No ☐

The Narragansett Electric Company
Standards for Connecting Distributed Generation

Terms and Conditions for Simplified Process Interconnections

1. **Construction of the Facility.** The Interconnecting Customer may proceed to construct the Facility once the Approval to Install the Facility has been signed by the Company.
2. **Interconnection and operation.** The Interconnecting Customer may operate Facility and interconnect with the Company's system once the following has occurred:
 - 2.1. **Municipal Inspection.** Upon completing construction, the Interconnecting Customer will cause the Facility to be inspected or otherwise certified by the local electrical wiring inspector with jurisdiction.
 - 2.2. **Certificate of Completion.** The Interconnecting Customer returns the Certificate of Completion appearing as Attachment 2 to the Agreement to the Company at address noted.
 - 2.3. **Company has completed or waived the right to inspection.**
3. **Company Right of Inspection.** Within ten (10) business days after receipt of the Certificate of Completion, the Company may, upon reasonable notice and at a mutually convenient time, conduct an inspection of the Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with the Interconnection Tariff. The Company has the right to disconnect the Facility in the event of improper installation or failure to return Certificate of Completion. If the Company does not inspect in 10 days or by mutual agreement of the Parties, the Witness Test is deemed waived.
4. **Safe Operations and Maintenance.** The Interconnecting Customer shall be fully responsible to operate, maintain, and repair the Facility.
5. **Access.** The Company shall have access to the disconnect switch (if required) of the Facility at all times.
6. **Disconnection.** The Company may temporarily disconnect the Facility to facilitate planned or emergency Company work.
7. **Metering and Billing.** All Facilities approved under this Agreement qualify for net metering, as approved by the Commission from time to time, and the following is necessary to implement the net metering provisions:
 - 7.1. **Interconnecting Customer Provides Meter Socket.** The Interconnecting Customer shall furnish and install, if not already in place, the necessary meter socket and wiring in accordance with accepted electrical standards.
 - 7.2. **Company Installs Meter.** The Company shall furnish and install a meter capable of net metering within ten (10) business days after receipt of the Certificate of Completion if inspection is waived, or within 10 business days after the inspection is completed, if such meter is not already in place.
8. **Indemnification.** Except as precluded by the laws of the State of Rhode Island, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.
9. **Limitation of Liability.** Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
10. **Termination.** This Agreement may be terminated under the following conditions:
 - 10.1. **By Mutual Agreement.** The Parties agree in writing to terminate the Agreement.
 - 10.2. **By Interconnecting Customer.** The Interconnecting Customer may terminate this Agreement by providing written notice to Company.
 - 10.3. **By Company.** The Company may terminate this Agreement (1) if the Facility fails to operate for any consecutive 12 month period, or (2) in the event that the Facility impairs the operation of the electric distribution system or service to other customers or materially impairs the local circuit and the Interconnecting Customer does not cure the impairment.
11. **Assignment/Transfer of Ownership of the Facility.** This Agreement shall survive the transfer of ownership of the Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.
12. **Interconnection Tariff.** These Terms and Conditions are pursuant to the Company's Tariff for the Interconnection of Customer-Owned Generating Facilities, as approved by the Rhode Island Public Utilities Commission and as the same may be amended from time to time ("Interconnection Tariff"). All defined terms set forth in these Terms and Conditions are as defined in the Interconnection Tariff (see Company's website for complete tariff).

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Standards for Connecting Distributed Generation

ATTACHMENT 2

Certificate of Completion for Simplified Process Interconnections**Installation Information:**☐ Check if owner-installed

Customer or Company Name (print): _____

Contact Person, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Account Number: _____ Meter Number: _____

Electrical Contractor's Company or Name (print): _____

Electrician Name, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

License number: _____

Date of approval to install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The system has been installed and inspected in compliance with the local Building/Electrical Code of :

(City/Town)

Signed/Date (Local/Federal Electrical Wiring

Inspector, or attach signed electrical inspection): _____

Wiring Inspector Name (printed): _____

Telephone Number: _____

Email Address: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed

The Narragansett Electric Company
Standards for Connecting Distributed Generation

electrical permit to CAP@rienergy.com

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit B - Generating Facility Expedited/Standard Pre-Application Report Form**

Interconnecting Customer Name (print): _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____ Facsimile Number: _____

E-Mail Address: _____

Alternative Contact Information (e.g., system installation contractor or coordinating company)

Name (print): _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Daytime): _____ (Evening): _____

Facsimile Number: _____ E-Mail Address: _____

Facility Information:

- 1) Proposed Facility Location (street address with cross streets, including town, and a Google Map still picture and GPS coordinates): _____
- 2) Generation Type: _____
- 3) Size (AC kW): _____
- 4) Single or Three Phase Generator Configuration: _____
- 5) Stand-alone (no on-site load, not including parasitic load)? Yes _____ No _____
- 6) If there is existing service at the Proposed Facility site, provide:
 - a) Interconnecting Customer Account Number

 - b) site minimum and maximum (if available) current or proposed electric loads
 - i) Minimum kW: _____
 - ii) Maximum kW: _____
- 7) Is new service or service upgrade needed?: _____
- 8) Substation Name: _____
- 9) Circuit rating and approximate circuit length of nearest available feeder from the proposed Facility to the substation:

DISCLAIMER: Be aware that this Pre-Application Report is simply a snapshot in time and is non-binding. System conditions can and do change frequently.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit C – Expedited/Standard Process Interconnection Application**
Instructions *(please do not submit this page)***General Information**

If you wish to submit an application to interconnect your generating facility using the Expedited or Standard Process, please fill out all pages of the attached application form (not including this page of instructions). Once complete, please sign, attach the supporting documentation requested and enclose an application fee of \$3/kW (minimum of \$300 and maximum of \$2,500).

Contact Information: You must provide as a minimum the contact information of the legal applicant. If another party is responsible for interfacing with the Company (utility), you may optionally provide their contact information as well.

Ownership Information: Please enter the legal names of the owner or owners of the generating facility. Include the percentage ownership (if any) by any electric service company (utility) or public utility holding company, or by any entity owned by either.

Generating Facility Information

Account and Meter Numbers: Please consult an actual electric bill from the Electric Service Company and enter the correct Account Number and Meter Number on this application. If the facility is to be installed in a new location, a temporary number may be assigned by the Electric Company.

UL 1741 Listed? The standard UL 1741, “Inverters, Converters, and Controllers for Use in Independent Power Systems,” addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers choose to submit their equipment to a Nationally Recognized Testing Laboratory (“NRTL”) that verifies compliance with UL 1741. This “listing” is then marked on the equipment and supporting documentation.

DEM Air Pollution Control Permit Needed? A generating facility may be considered a point source of emissions of concern by the Rhode Island Department of Environmental Management (“RIDEM”). Therefore, when submitting this application, please indicate whether your generating facility will require an Air Pollution Control Permit. You must answer these questions, however, your specific answers will not affect whether your application is deemed complete. Please contact the RIDEM to determine whether the generating technology planned for your facility qualifies for a RIDEM waiver or requires a permit.

Jurisdictional Statement: The Company is a public utility subject to the concurrent jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and the Rhode Island Public Utilities Commission (“RIPUC”). Pursuant to the Federal Power Act, FERC has jurisdiction over the transmission and sale of electric energy at wholesale in interstate commerce, including jurisdiction over certain generator interconnections. All of the Company’s transmission facilities (including distribution facilities and certain generator interconnection facilities serving a FERC-jurisdictional transmission function) are: (1) subject to FERC jurisdiction; (2) under the operating authority of the regional transmission operator ISO New England Inc. (“ISO-NE”); and (3) subject to the terms and conditions of the ISO-NE Transmission, Markets and Services Tariff (“ISO-NE Tariff”).

As the result of this application for interconnection service, the Company may determine that the interconnection is under FERC jurisdiction. If this is the case, the Company may direct the Interconnecting Customer to submit an Interconnection Request to ISO-NE under the ISO-NE Tariff or, if an Interconnection Service Agreement (ISA) is executed between the Company and the Interconnecting Customer under this RIPUC Tariff, the Company may file a copy of the ISA with FERC.

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Generating Facility Expedited/Standard Process Interconnection Application****Contact Information**

Date Prepared: _____

Legal Name and address of Interconnecting Customer (or, Company name, if appropriate)

Customer or Company Name: _____ Contact Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Alternative Contact Information (e.g. system installation contractor or coordinating company)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Ownership (include % ownership by any electric utility): _____**Generating Facility Information**

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Electric Service Company: _____ Account Number: _____ Meter Number: _____

Work Request Number (For Upgrades or New Service): _____

Type of Generating Unit: Synchronous ☐ Induction ☐ Inverter ☐

Manufacturer: _____ Model: _____

Nameplate Rating: _____ (kW) _____ (kVAr) _____ (Volts) Single ☐ or Three ☐ PhasePrime Mover: Fuel Cell ☐ Recip Engine ☐ Turbine ☐ Photo Voltaic ☐ Other ☐ Specify: _____Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐ Fuel Oil ☐ Other ☐ Specify: _____For Solar PV provide system DCC-STC rating: _____ (kW) Requesting Feasibility Study? Yes ☐ No ☐

Please fill out required fields in the form below for the type of system specified above, the application will not be considered complete unless all required fields are filled out accurately

Need an air quality permit from RIDEM? Yes ☐ No ☐ Not Sure ☐If "yes", have you applied for it? Yes ☐ No ☐ _____For inverter based units – is the unit IEEE 1547.1 (UL 1741) Listed? Yes ☐ No ☐Generating system already exists on current account? Yes ☐ No ☐Planning to Export Power? Yes ☐ No ☐ A Cogeneration Facility? Yes ☐ No ☐Will Customer generate more than 95% of their hourly consumption on an annual basis? Yes ☐ No ☐

Anticipated Export Power Purchaser: _____

Purpose of Generating Facility:

PLEASE READ THE QUESTIONS BELOW CAREFULLY. YOU MUST NOTIFY THE COMPANY AS EARLY AS POSSIBLE IF YOUR ANSWERS TO THE QUESTIONS IN THIS SECTION WOULD BE DIFFERENT AT ANY POINT IN THE FUTURE.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

1. Exporting Electricity?

Please check only a single response below.

☐ This Facility will never export any electricity to the electric grid.

OR

☐ This Facility will export electricity to the electric grid under the net metering tariff, and Schedule B is attached here.

OR

☐ This Facility will export electricity to the electric grid and plans to enroll in the Renewable Energy Growth Program tariff. If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ This Facility will export electricity to the electric grid under the net metering tariff, and Schedule B is attached here, and plans to enroll in the Renewable Energy Growth Program tariff.

If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ I do not yet know whether this Facility will export electricity to the electric grid.

2. Net Annual Exporter of Electricity?

Please check only a single response below.

☐ This Facility will never export more electricity than it will consume over the course of one year.

OR

☐ This Facility will export more electricity than it will consume over the course of one year.

OR

☐ I do not yet know whether this Facility will export more electricity than it will consume over the course of one year.

3. Selling Electricity?

Please check only a single response below.

☐ All of the electricity produced by this Facility will be sold to a customer who will seek net metering credits from the Company and use the credits on the customer's electricity accounts.

OR

☐ All of the electricity produced by this Facility plans to be sold through the Renewable Energy Growth Program tariff. If so, does the Facility have site control? ☐ Yes ☐ No

OR

☐ All of the electricity from this Facility will be sold directly into the regional wholesale electricity market. (For more information, please see: www.iso-ne.com/regulatory/tariff/sect_3/index.html.)

4. Seeking Capacity Revenue?

Please check only a single response below.

☐ This Facility will never seek capacity credit from the ISO-New England Forward Capacity Market ("FCM").

OR

☐ This Facility will seek capacity credit from the FCM. (For more information, please see: www.iso-ne.com/markets/othrmkts_data/fcm/index.html.)

OR

☐ I do not yet know whether this Facility will seek capacity credit from the FCM.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

5. Qualifying Facility Certification?

Please check only a single response below.

☐ This Facility will not seek QF status from FERC.

OR

☐ This Facility has already sought or will seek certification from the Federal Energy Regulatory Commission ("FERC") as a Qualifying Facility ("QF"). (For more information, please see: www.ferc.gov/industries/electric/gen-info/qual-fac.asp.)

OR

☐ I do not yet know whether this Facility will seek QF status.

Est. Install Date: _____ Est. In-Service Date: _____ Agreement Needed By: _____

Est. Install Date: _____ Est. In-Service Date: _____ Agreement Needed By: _____

Application Process

I hereby certify that, to the best of my knowledge, all of the information provided in this application is true:

Interconnecting Customer Signature: _____ Title: _____ Date: _____

National Grid Signature: _____ Title: _____ Date: _____

Generating Facility Technical Detail

Date: _____

Information on components of the generating facility that are using UL Listed equipment (i.e., primarily solar, but if the proposed Facility is using a UL Listed inverter, please fill out below) :

Equipment Type	Manufacturer	Model	National Standard
1. _____			
2. _____			
3. _____			
4. _____			
5. _____			
6. _____			

Total Number of Generating Units in Facility? _____

Generator Unit Power Factor Rating: _____

Max Adjustable Leading Power Factor? _____ Max Adjustable Lagging Power Factor? _____

Generator Characteristic Data (for all inverter-based machines)

Max Design Fault Contribution Current? _____ Instantaneous ☐ or RMS? ☐

Harmonics Characteristics: _____

Start-up power requirements: _____

Generator Characteristic Data (for all rotating machines)

Rotating Frequency: _____ (rpm) Neutral Grounding Resistor (If Applicable): _____

Additional Information for Synchronous Generating Units

Synchronous Reactance, X_d: _____ (PU) Transient Reactance, X'_d: _____ (PU)

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Subtransient Reactance, X_d : _____ (PU) Neg Sequence Reactance, X_2 : _____ (PU)
 Zero Sequence Reactance, X_0 : _____ (PU) kVA Base: _____
 Field Voltage: _____ (Volts) Field Current: _____ (Amps)

Additional information for Induction Generating Units

Rotor Resistance, R_r : _____ Stator Resistance, R_s : _____
 Rotor Reactance, X_r : _____ Stator Reactance, X_s : _____
 Magnetizing Reactance, X_m : _____ Short Circuit Reactance, X_d'' : _____
 Exciting Current: _____ Temperature Rise: _____
 Frame Size: _____
 Total Rotating Inertia, H : _____ Per Unit on kVA Base: _____
 Reactive Power Required In Vars (No Load): _____
 Reactive Power Required In Vars (Full Load): _____

Additional information for Induction Generating Units that are started by motoring

Motoring Power: _____ Design Letter: _____

Additional information needed for Wind turbines:

Manufacturer's voltage flicker data (please provide source documents): _____

Estimated generation data (kW output) in ten (10) second increments based on actual or estimated wind data at the proposed site location (please provide source documents and analysis to support).

The Narragansett Electric Company
Standards for Connecting Distributed Generation

Interconnection Equipment Technical Detail

Date: _____

Will a transformer or a grounding bank be used between the generator and the point of interconnection? Yes ☐ No ☐

Will the transformer be provided by Interconnecting Customer? Yes ☐ No ☐

Transformer Data (if applicable, for all Interconnecting Customer-Owned Transformers including if a grounding bank is proposed, please provide data on each transformer or grounding bank):

Nameplate Rating: _____ (kVA) Single ☐ or Three ☐ Phase

Transformer Impedance: _____ (%) on a _____ kVA Base

Transformer Primary: _____ (Volts) Delta ☐ Wye ☐ Wye Grounded ☐ Other ☐

Transformer Secondary: _____ (Volts) Delta ☐ Wye ☐ Wye Grounded ☐ Other ☐

Transformer Fuse Data (if applicable, for Interconnecting Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt & Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____

Size: _____ Speed: _____

Will a Neutral grounding reactor be installed? Yes ☐ No ☐, if yes, please provide the following:

Thermal current rating: _____ (amps)

Continuous current rating: _____ (amps), at a rated time of _____ (seconds)

Impedance: _____ (ohms)

Rated voltage: _____ (kV)

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____ Load Rating: _____ Interrupting Rating: _____ Trip Speed: _____
(Amps) (Amps) (Cycles)

Interconnection Protective Relays (if applicable):

(If microprocessor-controlled)

List of Functions and Adjustable Set points for the protective equipment or software:

	Setpoint Function	Minimum	Maximum
1.	_____		
2.	_____		
3.	_____		
4.	_____		
5.	_____		
6.	_____		

(If discrete components)

(Enclose copy of any proposed Time Over-current Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Interconnection Equipment Technical Detail, page 2**Current Transformer Data (if applicable):

(Enclose copy of Manufacturer's Excitation & Ratio Correction Curves)

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Potential Transformer Data (if applicable):

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

Manufacturer:_____ Type:_____ Accuracy Class:_____ Proposed Ratio Connection:_____

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General Technical Detail

Date: _____

E-mail a copy of the following to: CAP@rienergy.com

- Site electrical One-Line Diagram (relay settings should appear on one-line when applicable) showing the configuration of all generating facility equipment, current and potential circuits, and protection and control schemes with a stamp from a professional engineer (“PE”) registered in the state where the facility is located.
- Site plan that indicates the precise physical location of the following: a) proposed generating facility, b) external utility disconnect, c) all utility meters, d) location of proposed access to the facility, and, e) any public ways in the area (refer to the sample site plan on the National Grid website). If any of these locations change, provide an updated site plan prior to energizing the Facility
- Three-line diagram for non UL-1741 certified generator or multiple inverter projects, stamped by a Rhode Island Electrical Professional Engineer.
- Links or PDF copies of the specification sheets for the generator, protection equipment, transformer (s) and any other pieces of equipment deemed appropriate.

Mail the Interconnection Application (“IA”) fees check and first page of the signed IA to:

The Narragansett Electric Company
Attn: Distributed Generation
280 Melrose Street
Providence, RI 02907

The Narragansett Electric Company
Standards for Connecting Distributed Generation**ATTACHMENT 2**
Certificate of Completion for Expedited/Standard Process
Interconnections**Installation Information:**☐ Check if owner-installed

Customer or Company Name (print): _____

Contact Person, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

Address of Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Account Number: _____ Meter Number: _____

Electrical Contractor's Company or Name (print): _____

Electrician Name, if Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Primary): _____ Telephone (Secondary): _____

Fax: _____ E-Mail (s): _____

License number: _____

Date of approval to install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The system has been installed and inspected in compliance with the local Building/Electrical Code of:

(City/Town)Signed/Date (Local/Federal Electrical Wiring
Inspector, or attach signed electrical inspection): _____

Wiring Inspector Name (printed): _____

Telephone Number: _____

Email Address: _____

As a condition of interconnection you are required to send/fax a copy of this form along with a copy of the signed electrical permit to CAP@rienergy.com

The Narragansett Electric Company
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Exhibit D – Supplemental Review Agreement

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Supplemental Review relative to the Expedited Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Supplemental Review pertains to Application Number ____ (the Interconnecting Customer’s application ID number).

If the Supplemental Review determines the requirements for processing the application through the Expedited Process including any System Modifications, then the modification requirements, reasoning, and costs for these modifications will be identified and included in an executable Interconnection Service Agreement sent to the Interconnecting Customer for execution. If the Supplemental Review does not determine the requirements, it will include a proposed Impact Study Agreement as part of the Standard Process which will include an estimate of the cost of the study.

The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Supplemental Review not already provided in the Interconnecting Customer’s application.

All work pertaining to the Supplemental Review that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.

The Company shall perform the Supplemental Review for a fee not to exceed \$1,250. The Company anticipates that the Supplemental Review will cost \$ _____. No work will be performed until payment is received.

Please indicate your acceptance of this Agreement by signing below.

Name: _____

Title: _____

Date: _____

Signature: _____

The Narragansett Electric Company
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Exhibit E – Feasibility Study Agreement

This Agreement dated _____, is entered into by and between _____ (“Renewable Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Feasibility Study relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Feasibility Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Renewable Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Feasibility Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Feasibility Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Renewable Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare an Feasibility Study covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Renewable Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof).. The Company will not proceed with this Feasibility Study without the Renewable Interconnecting Customer’s consent to have the other studies conducted.
4. Feasibility Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Renewable Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Renewable Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to NEPOOL 18.4 approval, should such approval be required, is completely at the Renewable Interconnecting Customer’s risk.
5. The Feasibility Study fee of \$_____, as per table 2 in Section 3.5 of the Interconnection Tariff is due in full prior to the execution of the Feasibility Study.
6. In the event this Agreement is terminated for any reason, the Company shall refund to the Renewable Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Renewable Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 10 below.
7. Nothing in this Agreement shall be interpreted to give the Renewable Interconnecting Customer immediate rights to wheel over or interconnect with the Company’s EDS.
8. Except as precluded by the laws of the State of Rhode Island, Renewable Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

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9. Notwithstanding the foregoing, the Renewable Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Renewable Interconnecting Customer. Any construction estimate provide as part of the Feasibility Study cannot be relied upon the by applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith.
10. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
11. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island.
12. All amendments to this Agreement shall be in written form executed by both Parties.
13. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
14. This Agreement will remain in effect for a period of up to two years from its effective date.
15. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Renewable Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Renewable Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Renewable Interconnecting Customer:

The Narragansett Electric Company :

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signature: _____

Signature: _____

The Narragansett Electric Company
Standards for Connecting Distributed Generation**Exhibit F – Pre-Impact Study Review Agreement**

This Agreement dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting a Pre-Impact Study Review relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Pre-Impact Study Review pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Pre-Impact Study Review not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Pre-Impact Study Review that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare a Pre-Impact Study Review covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Renewable Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Pre-Impact Study Review without the Renewable Interconnecting Customer’s consent to have the other studies conducted.
4. Pre-Impact Study Review, together with the output of the required Impact Study or ISR DG contemplated in Paragraph 3, shall form the basis for the Renewable Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Renewable Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to NEPOOL 18.4 approval, should such approval be required, is completely at the Renewable Interconnecting Customer’s risk.
5. The Pre-Impact Study Review fee of \$_____, as mutually agreed per Table 2 in Section 3.5 of the Interconnection Tariff, is due in full prior to the execution of the Pre-Impact Study Review.
6. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 10 below.
7. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company’s EDS.
8. Except as precluded by the laws of the State of Rhode Island, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

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9. Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Interconnecting Customer. Any construction estimate provided as part of the Pre-Impact Study Review cannot be relied upon by the applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith.
10. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
11. This Agreement shall be construed and governed in accordance with the laws of the State of Rhode Island.
12. All amendments to this Agreement shall be in written form executed by both Parties.
13. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
14. This Agreement will remain in effect for a period of up to two years from its effective date.
15. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this Agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either:
 - (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Interconnecting Customer: Name: _____ Title: _____ Date: _____ Signature: _____	The Narragansett Electric Company: Name: _____ Title: _____ Date: _____ Signature: _____
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The Narragansett Electric Company
Standards for Connecting Distributed Generation

Exhibit G – Impact Study or ISRDG Agreement

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting an Impact Study relative to the Standard Process as defined in Section 1.0 and outlined in Section 3.0 of the Interconnection Tariff. This Impact Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Impact Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Impact Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other potentially Affected Systems, and no single Party is in a position to prepare an Impact Study covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Impact Study without the Interconnecting Customer’s consent to have the other studies conducted.
4. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are not substantial, the Impact Study will determine the scope and cost of the modifications and will, upon Interconnecting Customer’s request, provide an executable ISA. If the Company determines, in accordance with Good Utility Practice, that the System Modifications to the Company EDS are substantial, and the Company is unable to provide an executable ISA, the Impact Study will produce an estimate for the known System Modification costs (within $\pm 25\%$) and a Detailed Study Agreement with its estimated cost.
5. Impact Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to ISO Reliability Committee approval,, should such approval be required, is completely at the Interconnecting Customer’s risk.
6. The Impact Study fee of \$ _____ (except as noted below) is due in full prior to the execution of the Impact Study. For a Renewable Interconnecting Customer the ISRDG Study fee is as per Table 2 in Section 3.5 of the Interconnection Tariff.

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7. Final Accounting. If the Customer executes an ISA, then a final accounting of the costs collected under this study agreement shall be performed in accordance with the terms of the ISA. If the Interconnecting Customer does not execute an ISA, the Company, within ninety (90) business days after completion of the study and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between (a) Interconnecting Customer's cost responsibility under this agreement, and (b) Interconnecting Customer's previous aggregate payments to the Company for such study. Costs that are statutorily-based shall not be subject to final accounting or reconciliation under this provision (e.g., statutorily set study fees for the ISR DG), but may be reconciled at any time only if the costs exceed the statutory fee and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in this agreement exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.
8. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 16 below.
9. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company's EDS.
10. Except as precluded by the laws of the State of Rhode Island, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to incomplete, inaccurate, or otherwise faulty information supplied by the Interconnecting Customer. Moreover, with respect to an ISR DG provided to a Renewable Interconnecting Customer, the Company may not be held liable or responsible if the actual costs exceed the estimate as long as the estimate was provided in good faith and the interconnection was implemented prudently by the Company.

11. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by serving notice of same on the other party to this Agreement.
12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island.
13. All amendments to this Agreement shall be in written form executed by both Parties.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
15. This Agreement will remain in effect for a period of up to two years from its effective date.
16. This Agreement may be terminated under the following conditions.
- a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

Interconnecting Customer:

Name: _____
Title: _____
Date: _____
Signature: _____

The Narragansett Electric Company:

Name: _____
Title: _____
Date: _____
Signature: _____

The Narragansett Electric Company
Standards for Connecting Distributed Generation

Exhibit H – Detailed Study Agreement

This Agreement, dated _____, is entered into by and between _____ (“Interconnecting Customer”) and the Company, for the purpose of setting forth the terms, conditions and costs for conducting an Detailed Study relative to the Standard process as defined in Section 1 and outlined in Section 3 of the Interconnection Tariff. This Detailed Study pertains to Application Number _____ (the Interconnecting Customer’s application ID number).

1. The Interconnecting Customer agrees to provide, in a timely and complete manner, all additional information and technical data necessary for the Company to conduct the Detailed Study not already provided in the Interconnecting Customer’s application.
2. All work pertaining to the Detailed Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of the Company and the Interconnecting Customer. Each party shall inform the other in writing of its designated and authorized representative, if different than what is in the application.
3. Where there are other Affected Systems identified by the Impact Studies, and no single Party is in a position to prepare a Detailed Study covering all Affected Systems, the Company will coordinate but not be responsible for the timing of any additional studies required to determine the System Modifications of the interconnection request on other Affected Systems. The Interconnecting Customer will be directly responsible to the Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the Affected Systems provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company’s cost estimates, in which case the Company will detail the separate Affected System study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof). The Company will not proceed with this Detailed Study without the Interconnecting Customer’s consent to have the other studies conducted.
4. The Company will provide an estimate of the costs of the System Modifications required as a result of the Detailed Study.
5. The Detailed Study, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Interconnecting Customer’s proposed use of the Company EDS and shall be furthermore utilized in obtaining necessary third-party approvals of any required facilities and requested distribution services. The Interconnecting Customer understands and acknowledges that any use of study results by the Interconnecting Customer or its agents, whether in preliminary or final form, prior to ISO-NE Reliability Committee approval, should such approval be required, is completely at the Interconnecting Customer’s risk.
6. The Detailed Study fee of \$ _____ (except as noted below) is due in full prior to the execution of the Detailed Study. If the anticipated cost exceeds \$25,000, the Interconnecting Customer is eligible for a payment plan, including a payment and construction schedule with milestones for both parties. At the request of the Interconnecting Customer, the Company will break the costs into phases in which the costs will be collected prior to Company expenditures for each phase of the study. The payment plan will be attached as an exhibit to the Detailed Study Agreement.
7. The Company will, in writing, advise the Interconnecting Customer in advance of any cost increase for work to be performed up to a total amount of increase of 10% only. All costs that exceed the 10% increase cap will be borne solely by the Company. Any such changes to the Company’s costs for the work shall be subject to the Interconnecting Customer’s consent. The Interconnecting Customer shall, within thirty (30) days of the Company’s notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

8. Final Accounting. If the Customer executes an ISA, then a final accounting of the costs collected under this study agreement shall be performed in accordance with the terms of the ISA. If the Interconnecting Customer does not execute an ISA, the Company within ninety (90) business days after completion of the study and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report that includes a comparable level of detail and in similar categories as the cost estimate initially provided by the Company, specifying any difference between (a) Interconnecting Customer's cost responsibility under this agreement, and (b) Interconnecting Customer's previous aggregate payments to the Company for such study. Costs that are statutorily-based shall not be subject to final accounting or reconciliation under this provision, but may be reconciled at any time only if the costs exceed the statutory fee and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in this agreement exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.
9. In the event this Agreement is terminated for any reason, the Company shall refund to the Interconnecting Customer the portion of the above fee or any subsequent payment to the Company by the Interconnecting Customer that the Company did not expend or commit in performing its obligations under this Agreement. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 16 below.
10. Nothing in this Agreement shall be interpreted to give the Interconnecting Customer immediate rights to wheel over or interconnect with the Company's EDS.
11. Except as precluded by the laws of the State of Rhode Island, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of, or are in any manner connected with, the performance of this Agreement by that party, except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the party seeking indemnification.

Notwithstanding the foregoing, the Interconnecting Customer hereby waives recourse against the Company and its Affiliates for, and releases the Company and its Affiliates from, any and all liabilities arising from or attributable to information supplied by the Interconnecting Customer.
12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island.
13. All amendments to this Agreement shall be in written form executed by both Parties.
14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either Party.
15. This Agreement will remain in effect for a period of up to two years from its effective date.
16. This Agreement may be terminated under the following conditions.
 - a) The Parties agree in writing to terminate the Agreement.
 - b) The Interconnecting Customer may terminate this agreement at any time by providing written notice to Company.
 - c) The Company may terminate this Agreement if the Interconnecting Customer either: (1) has not paid the fee or, (2) has not responded to requests for further information in accordance with provisions in the Interconnection Tariff.

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Interconnecting Customer:

Name: _____

Title: _____

Date: _____

Signature: _____

The Narragansett Electric Company:

Name: _____

Title: _____

Date: _____

Signature: _____

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Standards for Connecting Distributed Generation

Exhibit I – Interconnection Service Agreement

- 1. Parties.** This Interconnection Service Agreement (“Agreement”), dated as of _____ (“Effective Date”) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and, _____ a _____ corporation with a principal place of business at _____ (“Interconnecting Customer”). (The Company and Interconnecting Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff which is hereby incorporated by reference.
- 2. Basic Understandings.** This Agreement provides for parallel operation of an Interconnecting Customer’s Facility with the Company EDS to be installed and operated by the Interconnecting Customer at: _____ (Facility name, address, and end-use customer account number, if applicable). A description of the Facility is located in Attachment 2. If the Interconnecting Customer is not the Customer, an Agreement between the Company and the Company’s Retail Customer, attached as Exhibit J to the Interconnection Tariff, must be signed and included as an Attachment to this Agreement.

The Interconnecting Customer has the right to operate its Facility in parallel with the Company EDS immediately upon successful completion of the protective relays testing as witnessed by the Company and receipt of written notice from the Company that interconnection with the Company EDS is authorized (“Authorization Date”).
- 3. Term.** This Agreement shall become effective as of the Effective Date. The Agreement shall continue in full force and effect until terminated pursuant to Section 4 of this Agreement.
- 4. Termination.**

 - 4.1** This Agreement may be terminated under the following conditions.

 - 4.1.1** The Parties agree in writing to terminate the Agreement.
 - 4.1.2** The Interconnecting Customer may terminate this agreement at any time by providing sixty (60) days written notice to Company.
 - 4.1.3** The Company may terminate this Agreement upon the occurrence of an Event of Default by the Interconnecting Customer as provided in Section 18 of this Agreement.
 - 4.1.4** The Company may terminate this Agreement if the Interconnecting Customer either: (1) fails to energize the Facility within 12 months of the Authorization Date; or, (2) permanently abandons the Facility. Failure to operate the Facility for any consecutive 12 month period after the Authorization Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.
 - 4.1.5** The Company, upon 30 days’ notice, may terminate this Agreement if there are any changes in Commission regulations or state law that have a material adverse effect on the Company’s ability to perform its obligations under the terms of this Agreement.
 - 4.2 Survival of Obligations.** The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. Sections 5, 10, 12, 13, and 25 as it relates to disputes pending or for wrongful termination of this Agreement shall survive the termination of this Agreement.
 - 4.3 Related Agreements.** Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.
- 5. General Payment Terms.** The Interconnecting Customer shall be responsible for the System Modification costs and payment terms identified in Attachment 3 of this Agreement and any approved cost increases

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pursuant to the terms of the Interconnection Tariff. If the system modifications exceed \$25,000, Attachment 3 will include a payment and construction schedule for both parties. Interconnecting Customers shall be directly responsible to any Affected System operator for the costs of any system modifications necessary to the Affected Systems.

5.1 Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any expected cost increase for work to be performed up to a total amount of increase of 10% only. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.

5.2 Final Accounting. The Company within ninety (90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the Interconnection Service Agreement and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g., statutorily set study fees for the ISRDC), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within forty-five (45) days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this applicable agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty-five (45) days of the provision of such final accounting report.

6. Operating Requirements

6.1 General Operating Requirements. Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EDS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of the Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference. Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EDS or if operation of the Facility could cause damage to Company EDS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EDS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating

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through the Company EDS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EDS, and outages on the Company EDS. If the Interconnecting Customer demonstrates that the Company EDS is adversely affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Agreement. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's EDS, personnel, and other persons from damage and injury.

6.4 Access. The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives. Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment. If necessary for the purposes of the Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under the Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information. The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EDS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.6 in the Interconnection Tariff.

7. Disconnection

7.1 Temporary Disconnection

7.1.1 Emergency Conditions. Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EDS or to the electric systems of others to which the Company EDS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EDS. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

7.1.2 Routine Maintenance, Construction and Repair. Company shall have the right to disconnect the Facility from the Company EDS when necessary for routine maintenance, construction and repairs on the Company EDS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the

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PCC, the Interconnecting Customer will provide a minimum of seven days' notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.

7.1.3 Forced Outages. During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EDS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EDS without such notice.

7.1.4 Non-Emergency Adverse Operating Effects. The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EDS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.

7.1.5 Modification of the Facility. Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.

7.1.6 Re-connection. Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EDS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection. The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

7.2.1 The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

- 8. Metering.** Metering of the output from the Facility shall be conducted pursuant to the terms of the Interconnection Tariff.
- 9. Assignment.** Except as provided herein, Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without the Company's written consent. Any assignment that the Interconnecting Customer purports to make without the Company's written consent shall not be valid. The Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, the Company's consent will not be required for any assignment made by the Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption. The Interconnecting Customer must sign a consent agreement to complete the assignment to a new system owner and execute Exhibit I when the Interconnecting Customer is still going to be the retail delivery customer or property owner.
- 10. Confidentiality.** Company shall maintain confidentiality of all Interconnecting Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved by the Interconnecting Customer in the Simplified or Expedited/Standard Application form or otherwise.

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11. Insurance Requirements.

11.1 General Liability.

- 11.1(a) In connection with Interconnecting Customer's performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
- i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than five (5) MW.
 - ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
 - iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
 - iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.
- 11.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. However, the Company recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.
- 11.1(c) Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.
- 11.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 11.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.
- 11.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.
- 11.1(f) In the event the State of Rhode Island, or any other governmental subdivision thereof subject to the claims limits of Rhode Island General Laws Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of Rhode Island General Laws Chapter 9-31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of Rhode Island General Laws Chapter 9-31 by the Governmental Entity.

11.2 Insurer Requirements and Endorsements. All required insurance shall be carried by reputable insurers qualified to underwrite insurance in Rhode Island having a Best Rating of "A-". In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Company prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

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11.3 Evidence of Insurance. Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with the Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.4 All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued, updated and submitted yearly to the following:

The Narragansett Electric Company
Attention: Risk Management
300 Erie Blvd West
Syracuse, NY 13202

- 12. Indemnification.** Except as precluded by the laws of the State of Rhode Island, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.
- 13. Limitation of Liability.** Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 14. Amendments and Modifications.** No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.
- 15. Permits and Approvals.** Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the Facility. Prior to the construction of System Modifications the interconnecting customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the Facility the Customer will notify the Company that it has obtained all permits necessary. Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.
- 16. Force Majeure.** For purposes of this Agreement, "Force Majeure Event" means any event:
- a. that is beyond the reasonable control of the affected Party; and

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- b. that the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lighting, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

17. Notices.

- 17.1** Any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company:

The Narragansett Electric Company

Attention: _____

Distributed Generation

280 Melrose Street

Providence, RI 02907

Phone: _____

E-mail: CAP@rienergy.com

If to Interconnecting Customer:

Name: _____

Address: _____

City: _____

Phone: _____

E-mail: _____

- 17.2** A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.
- 17.3** The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party’s Notice to the other.

18. Default and Remedies

- 18.1 Defaults.** Any one of the following shall constitute “An Event of Default.”

- (i) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, and such failure shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party, or
- (ii) One of the Parties fails to comply with any other provision of this Agreement or breaches any representation or warranty in any material respect and fails to cure or remedy that default or breach

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within sixty (60) days after notice and written demand by the affected Party to cure the same or such longer period reasonably required to cure (not to exceed an additional 90 days unless otherwise mutually agreed upon), provided that the defaulting Party diligently continues to cure until such failure is fully cured.

18.2 Remedies. Upon the occurrence of an Event of Default, the affected Party may at its option, in addition to any remedies available under any other provision herein, do any, or any combination, as appropriate, of the following:

- a. Continue to perform and enforce this Agreement;
- b. Recover damages from the defaulting Party except as limited by this Agreement;
- c. By written notice to the defaulting Party terminate this Agreement;
- d. Pursue any other remedies it may have under this Agreement or under applicable law or in equity.

- 19. Entire Agreement.** This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Tariff. Together the Agreement and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.
- 20. Supercedence.** In the event of a conflict between this Agreement, the Interconnection Tariff, or the terms of any other tariff, Exhibit or Attachment incorporated by reference, the terms of the Interconnection Tariff, as the same may be amended from time to time, shall control. In the event that the Company files a revised tariff related to interconnection for Commission approval after the effective date of this Agreement, the Company shall, not later than the date of such filing, notify the signatories of this Agreement and provide them a copy of said filing.
- 21. Governing Law.** This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 22. Non-waiver.** None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.
- 23. Counterparts.** This Agreement may be signed in counterparts.
- 24. No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the Parties hereto. Nothing in the Agreement shall be construed to create any rights in or duty to, or standard of care with respect to, or any liability to, any person not a party to this Agreement.
- 25. Dispute Resolution.** Unless otherwise agreed by the Parties, all disputes arising under this Agreement shall be resolved pursuant to the Dispute Resolution Process set forth in the Interconnection Tariff.
- 26. Severability.** If any clause, provision, or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section, shall not affect any of the remaining provisions herein.

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27. Signatures. IN WITNESS WHEREOF, the Parties hereto have caused two (2) originals of this Agreement to be executed under seal by their duly authorized representatives.

Interconnecting Customer	The Narragansett Electric Company
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	Signature: _____

The following attachments would be developed and included as appropriate for each specific Interconnection Service Agreement:

Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling

Attachment 2: Description of System Modifications

Attachment 3: Costs of System Modifications and Payment Terms

Attachment 4: Special Operating Requirements, if any

Attachment 5: Agreement between the Company and the Company's Retail Delivery Service Customer (to be signed by the Company's retail delivery service customer where DG installation and interconnection will be placed, when the retail delivery service customer is not the owner and/or operator of the distributed generation facility -- see Exhibit J of the Interconnection Tariff)

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Exhibit J – Agreement between the Company and the Company’s Retail Delivery Service Customer or Property Owner

(Note: this Agreement is to be signed by the Company’s retail delivery service customer or property owner where the distributed generation installation and interconnection will be placed, when the retail delivery service customer or property owner is not the owner and/or operator of the distributed generation facility.)

Parties. This Agreement between the Company and the Company’s Retail Delivery Service Customer or Property Owner (“Agreement”), dated as of _____ (“Effective Date” of this Agreement) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and _____, a _____ corporation with a principal place of business at _____ (“Customer”). (The Company and Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff, which is hereby incorporated by reference.

1. SCOPE, PURPOSE, AND RELATED AGREEMENTS

This Agreement, in conjunction with the Interconnection Service Agreement identified in Section 2.2, allows the Interconnecting Customer (as identified in Section 2.3) to utilize Customer’s electrical facilities to interconnect and operate the Facility in Parallel with Company’s EDS. The purpose of the Facility is to serve the Customer’s electrical loads at the location identified in Section 2.1

2. SUMMARY AND DESCRIPTION OF THE PARTIES AND LOCATION OF GENERATING FACILITY

2.1 The name and address used by Company to locate the Customer or electric service account where the Facility interconnects with Company’s EDS is: _____

Attention: _____
Address: _____
City: _____
Phone: _____
FAX: _____
E-mail: _____
Company Account Number: _____

2.2 The Facility shall be Interconnected with the Company’s EDS pursuant to an Interconnection Service Agreement between Company and Interconnecting Customer, its successors or assigns (“Interconnecting Customer”) dated _____ (“Interconnection Service Agreement”).

2.3 Interconnecting Customer’s contact information: _____

Attention: _____
Address: _____
City: _____
Phone: _____
E-mail: _____
FAX: _____

3. CUSTOMER ACKNOWLEDGMENT AND OBLIGATIONS

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- 3.1 Customer acknowledges that it has authorized the Facility to be installed and operated by Interconnecting Customer in accordance with Company's Interconnection Tariff in or adjacent to Customer's premises. Such Facility shall be used to serve all or a portion of Customer's electrical loads associated with the electric service provided by Company at the location identified in Section 2.1 above. Customer shall be solely responsible for the terms of any agreement between it and Interconnecting Customer.
- 3.2 Customer shall be solely responsible for any charges incurred under Company's electric service tariffs, and any other regulations and laws governing the provision of electric services. Customer acknowledges that it has been made aware of the charges and conditions related to the operation of the Facility and that the performance or lack of performance of the Facility may affect the rates and charges billed by Company for the electric power delivered to Customer. Copies of such tariffs are available by request to Company or on the Company's web site.
- 3.3 Any amount to be paid, or refunded to, Company for the services received by Customer as a result of the Interconnecting Customer failing to operate the Facility in accordance with the terms of the representations and warranties made under the Interconnection Service Agreement shall be paid to Company by the Customer in accordance with Company's electric tariffs.
- 3.4 Customer shall provide access as necessary to the Customer's premises for Company personnel, contractors or agents to perform Company's duties under the Interconnection Tariff. The Company shall have access to the disconnect switch of the Facility at all times.

4. TERMS AND TERMINATION

- 4.1 This Agreement shall become effective as of the date referenced in the preamble. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
 - (a) The Parties agree in writing to terminate the Agreement.
 - (b) At 12:01 A.M. on the day following the date the Customer's electric service account through which the Generating Facility is interconnected to Company's EDS is closed or terminated.
 - (c) At 12:01 A.M. on the 31st day following the date the Interconnection Service Agreement is terminated.
 - (d) At 12:01 A.M. on the 61st day after Company provides written Notice pursuant to Section 6 below to the Customer that Customer is not in compliance with the terms of this Agreement.

5. LIMITATION OF LIABILITY

- 5.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.
- 5.2 Company shall not be liable to Customer in any manner, whether in tort or contract or under any other theory, for loss or damages of any kind sustained by Customer resulting from existence of, operation of, or lack of operation of the Facility, or termination of the Interconnection Service Agreement, provided such termination is consistent with the terms of the Interconnection Service Agreement, except to the extent such loss or damage is caused by the negligence or willful misconduct of the Company.

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6. NOTICES

- 6.1 Any written notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company: The Narragansett Electric Company

Attention: _____

Distributed Generation

280 Melrose Street

Providence, RI 02907

E-mail: CAP@rienergy.com

If to Customer: _____

Attention: _____

Address: _____

City: _____

Phone: _____

Fax: _____

E-mail: _____

- 6.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 6.1.
- 6.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party’s Notice to the other.

7. RELEASE OF DATA

Company shall maintain confidentiality of all Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved in writing by the Customer.

8. ASSIGNMENT

Except as provided herein, Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company’s written consent. Any assignment Customer purports to make without Company’s written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Customer’s assignment of this Agreement. Notwithstanding the above, Company’s consent will not be required for any assignment made by Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

9. NON-WAIVER

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

10. GOVERNING LAW, JURISDICTION OF COMMISSION, INCLUSION OF COMPANY'S TARIFFS, DEFINED TERMS

10.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

10.2 The interconnection and services provided under this Agreement shall at all times be subject to terms and conditions set forth in the tariffs applicable to the electric service provided by Company. Copies of such tariffs are available at the Company's web site or by request to Company and are incorporated into this Agreement by this reference.

10.3 Notwithstanding any other provisions of this Agreement, Company shall have the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for change in tariffs, rates, charges, classification, service or any agreement relating thereto.

10.4 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in the Interconnection Tariff.

11. AMENDMENTS AND MODIFICATION

This Agreement can only be amended or modified by a written agreement signed by both Parties.

12. ENTIRE AGREEMENT

This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Service Agreement and the Interconnection Tariff. Together this Agreement, the Interconnection Service Agreement, and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.

13. INDEMNIFICATION

Except as precluded by the laws of the State of Rhode Island, Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.

14. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed under seal by their duly authorized representatives.

Retail Delivery Service Customer or Property Owner
(Electric account holder)

The Narragansett Electric Company

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signature: _____

Signature: _____

THE NARRAGANSETT ELECTRIC COMPANY

OPTIONAL BILLING AND RATE DATA SERVICE

Availability of Service

Billing and Rate Data Service is available under this provision for customers receiving retail delivery service under The Narragansett Electric Company (“Narragansett” or ~~“the Company”~~) retail delivery service tariffs. Any request for billing and rate data made by any party other than a customer of record of Narragansett requires the customer of record’s authorization prior to such data being released.

Services Provided Once Per Year with No Fee:

Data Type	Data Provided
Usage and Billing kW Data	For commercial and industrial customers: Customer of record name, rate class, service address and 13 months of peak and off-peak kW, kWh, kVA data. For residential customers: Customer of record name, rate class, service address and 13 months of total kWh.
Rate Data	Rate summaries and tariffs are available on the Narragansett website at https://www.rienergy.com/RI-Home/Rates/Tariff-Provisions “http://www.narragansett.com/cust/res/rates/index.htm” for residential rates or at “http://www.narragansett.com/cust/bus/rates/index.htm” for all other rates. Customers requesting hard copies of summaries or tariffs will be provided with that information free of charge.

THE NARRAGANSETT ELECTRIC COMPANY

OPTIONAL BILLING AND RATE DATA SERVICE

Fees for Custom Services or Additional Data:

Data Type	Item	Fee (the sum of):
Custom Reports also includes load data custom reports	Flat fee for managing request	\$30.00
	Per account charge	\$2.00/account
	Analyst fee (to highest 15 minute increment)	\$55.00/hour
	Overnight mail charge	\$15.00 or market rate
Rate Data	Flat fee	\$30.00
	Copying fees	\$0.25
	Analyst fee (to highest 15 minute increment)	\$55.00/hour
	Overnight mail charge	\$15.00 or market rate
Rate Analysis	Bill and rate analysis	Applied on a case-by-case basis in accordance with the fees identified in the fee schedule above

~~Effective: January 1, 2001~~

THE NARRAGANSETT ELECTRIC COMPANY

OPTIONAL BILLING AND RATE DATA SERVICE

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Rate Data	<p>Rate summaries and tariffs are available on the Narragansett website at https://www.rienergy.com/RI-Home/Rates/Tariff-Provisions.</p> <p>Customers requesting hard copies of summaries or tariffs will be provided with that information free of charge.</p>

THE NARRAGANSETT ELECTRIC COMPANY
OPTIONAL BILLING AND RATE DATA SERVICE

Fees for Custom Services or Additional Data:

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	Analyst fee (to highest 15 minute increment)	\$55.00/hour
	Overnight mail charge	\$15.00 or market rate
Rate Data	Flat fee	\$30.00
	Copying fees	\$0.25
	Analyst fee (to highest 15 minute increment)	\$55.00/hour
	Overnight mail charge	\$15.00 or market rate
Rate Analysis	Bill and rate analysis	Applied on a case-by-case basis in accordance with the fees identified in the fee schedule above

GREENUP SERVICE SUPPLIER SERVICE AGREEMENT

This Agreement (the “Agreement”), dated as of _____, 20__ (“Effective Date”), is made and entered into by and between The Narragansett Electric Company, a Rhode Island corporation with a principal place of business at 280 Melrose Street, Providence, RI (“Company”); and _____, a _____ corporation with a principal place of business at _____ (“GreenUp Service Supplier”). The Company and the GreenUp Service Supplier may hereinafter be referred to individually as the “Party” or referred to collectively as the “Parties.”

WHEREAS, the Parties to this Agreement desire to stimulate the development of renewable energy resources, to promote the sale of renewable energy and the growth of renewable energy markets in the Company’s service territory, and to offer the Company’s Customers increased options to support the growth of renewable energy resources; and

WHEREAS, the Parties desire to work together to provide GreenUp Service to Customers, whereby: (i) the GreenUp Service Supplier will sell RECs to and purchase RECs on behalf of Customers who are provided Last Resort Service by the Company, and (ii) the Company will perform the functions necessary to bill GreenUp Service for the GreenUp Service Supplier and account for the RECs billed on behalf of and provided by the GreenUp Service Supplier; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth hereinafter, the Parties agree as follows:

I. Definitions

Any capitalized term used in this Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Terms and Conditions for GreenUp Service (“Terms and Conditions”), which is attached hereto as Exhibit C and incorporated herein by reference, or in the ~~R.I.P.U.C.’s~~ regulations of the Rhode Island Public Utilities Commission (the “Commission”).

II. Term

Except as provided in Section X of this Agreement, this Agreement shall become effective on the Effective Date and shall continue in full force and effect until the later of the end of Last Resort Service, the Commission~~R.I.P.U.C.~~’s approval of the termination of the Terms and Conditions, or the Commission~~R.I.P.U.C.~~’s approval of any modification of the Terms and Conditions that has a material adverse effect on the Company’s ability to provide GreenUp Service. Notwithstanding the foregoing, the Parties agree to abide by all terms of this Agreement until the processing of any transactions that are outstanding or pending at termination is completed. Notwithstanding the Effective Date, GreenUp Service Supplier acknowledges that the Company will provide services as set forth in Section VI only upon the satisfaction or express, written waiver by the Company of the requirements found in Section III of this Agreement.

III. Conditions Precedent

The following requirements shall be conditions precedent to the Company’s obligations hereunder:

- A. GreenUp Service Supplier shall provide all information required by the GreenUp Service Supplier Information document, attached hereto as Exhibit B.

B. GreenUp Service Supplier shall furnish to the Company a complete schedule of its pricing options for each GreenUp Service product offering in an electronic format reasonably acceptable to the Company, in the Company's discretion, no fewer than ten (10) business days prior to initial Customer enrollment for any such GreenUp Service product offering.

C. Prior to Customer enrollment, GreenUp Service Supplier shall successfully complete testing with the Company of the Electronic Business Transactions ("EBT") as specified in the EBT Standards.

IV. Representations

Each Party represents that it is and shall remain in compliance with all laws, tariffs, and ~~the Commission~~R.I.P.U.C. regulations applicable to this Agreement or to the transactions contemplated hereunder during the term of this Agreement.

Each person executing this Agreement for ~~their~~his or her respective Party represents and warrants that ~~they have~~he or she has authority to bind that Party.

Each Party represents that: (a) it has the full power and authority to execute, deliver, and perform this Agreement; (b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes that Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

Each Party shall exercise all reasonable care, diligence, and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards.

V. GreenUp Service Supplier's Responsibilities

Any pending change in the information required in Exhibit B shall be updated by GreenUp Service Supplier five (5) business days prior to the effective date of such pending change.

GreenUp Service Supplier acknowledges that the Company will select and may, from time to time, change the electronic transmission vehicle. The current electronic transmission vehicle is the North American Energy Standards Board ("NAESB") version 1.6. Company will not change the electronic transmission vehicle without first providing GreenUp Service Supplier via Internet electronic mail at least seven (7) days' notice of any such change.

During the term of this Agreement, should any revisions be implemented to the EBT contained in EBT Standards subsequent to the initial testing period referenced in Section III(C) above, GreenUp Service Supplier shall be required to successfully complete testing of said revised EBT in accordance with the EBT Standards.

Any change in pricing for GreenUp Service Supplier's GreenUp Service product offerings shall be pursuant to the Company's Complete Billing Process for Competitive Suppliers, found at <http://www.narragansett.com/inside/supinfo/index.htm>
https://www9.nationalgridus.com/non_html/shared/CompleteBillingProcess.pdf.

VI. Company Service and Responsibilities

A. Standard Complete Billing Service

Company agrees to issue a single bill for electric service and GreenUp Service.

The Company agrees to use the pricing options supplied by GreenUp Service Supplier to calculate the GreenUp Service Supplier portion of Customer bills, and integrate GreenUp

Service Supplier's billing with the Company's billing in a single mailing to the Customer. The Company agrees to provide GreenUp Service Supplier with Customer usage and billing information in accordance with the EBT Standards. Upon receipt of Customer payments, the Company agrees to send a payment/adjustment transaction to the GreenUp Service Supplier in accordance with the EBT Standards.

B. Transaction Processing

Customer transactions will be processed consistent with the procedures set forth in EBT Standards. These transactions include, but are not limited to, account administration, reporting of Customer usage and billing, and reporting of Customer payments and adjustments. Any changes in these standard transactions will be consistent with the procedures set forth in EBT Standards.

C. Rendering of Bills

Rendering of bills is the preparation and mailing of statements of the amounts due from the Customer for GreenUp Service. These statements will be included as part of the regular monthly bill mailed to the Customer for the Company's Distribution Service. These statements will include GreenUp Service Supplier's toll-free telephone number for Customer inquiries. The Company shall not be required to include messages or inserts containing GreenUp Service Supplier specific information.

D. Billing Errors

If either Party finds a billing error or other miscalculation on a bill or in the usage determinants used as the basis for either the Company or the GreenUp Service Supplier's bill calculation, that Party shall, within sixty (60) days from the date of the Customer's statement containing the error, notify the other Party in writing or electronically and

explain the nature of the error. In the event of an error by the Company, the Company shall either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. In the event of an error by the GreenUp Service Supplier, the Company will, upon GreenUp Service Supplier's request, and as is reasonably practicable, either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. If neither of the requested options is determined by the Company to be reasonably practicable, or if the GreenUp Service Supplier affirmatively chooses, the GreenUp Service Supplier may submit a rate pricing option correction as provided by the EBT Standards. GreenUp Service Supplier will be responsible to pay any fees, as filed with and approved by the [Commission R.I.P.U.C.](#), for any rebilling and/or adjustment caused by GreenUp Service Supplier error. When either Party reasonably believes that an error related to billing activity may have occurred, either Party may request the production of documents required to verify the accuracy of such billing, which the other Party will provide within ten (10) business days. Notwithstanding the foregoing, the Parties acknowledge that the Company may send estimated bills to Customers in accordance with [Commission R.I.P.U.C.](#) regulations, and such estimated bills shall not be considered billing errors.

E. Payment Processing

GreenUp Service Supplier hereby authorizes the Company to process payments and apply monies in accordance with this Agreement. A Customer's payment shall be allocated between the Company and the GreenUp Service Supplier in accordance with

the provisions of the Terms and Conditions. Upon posting a received payment, the Company shall notify GreenUp Service Supplier prior to the close of the next business day that it has posted that payment, and shall send the payment to the GreenUp Service Supplier within three (3) business days, or as otherwise specified in Exhibit A.

VII. Customer Education and Information

The Company and the GreenUp Service Supplier shall undertake reasonable efforts to inform and educate the Company's Customers about the opportunities to participate in, support, and receive GreenUp Service. The Company intends to support a program to disseminate information to Customers about the GreenUp Service Suppliers offering GreenUp Service to the Company's Customers. The program will include information on the Company's website describing GreenUp Service and educational material sent by the Company identifying the GreenUp Service Supplier as a member in good standing of a list of participating GreenUp Service Suppliers in the program. To be eligible for inclusion in this program, the GreenUp Service Supplier must: (1) offer GreenUp Service on a nondiscriminatory basis to all Customers, subject to REC availability and supply; (2) offer GreenUp Service to Customers on terms and conditions for retail service that are consistent with the model terms and conditions that have been agreed to by all GreenUp Service Suppliers participating in the program; (3) have all of its most recent Environmental Disclosure Statements conform to the Terms and Conditions, the orders and regulations of [the Commission R.I.P.U.C](#), and the contracts with Customers whose load is included in each of GreenUp Service Supplier's subaccounts; (4) not be under any enforcement order or injunction by the Proper Authorities; and (5) abide by the Marketing Guidelines included as Exhibit D to this Agreement.

GreenUp Service Supplier shall be free to issue and disseminate its own marketing materials and to advertise its products as it wishes. ~~However, a~~Any independent marketing materials issued by the GreenUp Service Supplier, ~~however,~~ shall be provided to the Company seven (7) days in advance for the Company's informational purposes only. Other than stating that GreenUp Service is available to the Company's Customers, GreenUp Service Supplier shall not use the Company's logo or name on any independent marketing materials without the Company's prior written consent.

VIII. Billing and Payment for Services

Bills for services provided by the Company under the terms of this Agreement shall be rendered to GreenUp Service Supplier on a monthly basis and shall be due upon receipt of said bill, unless otherwise specified in Exhibit A. Failure by GreenUp Service Supplier to pay within twenty-five (25) days of the posting date on the bill shall result in the addition of interest on any unpaid balance, calculated at the rate of one and one-half percent (1.5%) per month commencing from the date said bill was posted. The posting date is the date the bill is transmitted to the GreenUp Service Supplier. The bill may also be transmitted electronically if agreed to in Exhibit A by the Parties.

IX. Nondisclosure

No Party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such party, without the express prior written consent of the affected Party. As used herein, the term "Confidential Information" shall include, but not be limited to: (i) all business, financial, and commercial information pertaining to a Party,

customers of a Party, suppliers for a Party, and personnel of a Party, (ii) any trade secrets of a Party, and (iii) other information of a similar nature, whether written or in intangible form, that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include: (a) information known to a Party prior to obtaining the same from the other Party, (b) information in the public domain, (c) information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a party who was under an obligation of confidentiality to the other Party to this Agreement, or (d) information developed by a Party independent of any Confidential Information. The receiving Party shall use the higher of the standard of care that the receiving Party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. The receiving Party shall, upon termination of this Agreement or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

Notwithstanding the foregoing, a Party may disclose Confidential Information without prior consent from the non-disclosing Party to: (i) any governmental, judicial, regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, including, without limitation, the reports filed with Proper Authorities under the Terms and Conditions, provided that such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority and prior to such disclosure, the affected Party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure, (ii)

any of its directors, officers, employees, agents, advisors, accountants, consultants or representatives on a need-to-know basis, and (iii) any independent certifying, auditing, or standard-setting authority or body that audits or oversees such Party (including without limitation the Center for Resource Solutions, Green-E Renewable Electricity Certification Program or any similar authority or body) as required by such authority or body, provided that such Confidential Information shall be submitted under any applicable provision, if any, for confidential treatment by such certifying or stand-setting authority or body or under a confidentiality agreement with such authority or body. Notwithstanding the foregoing, a Party may disclose in its marketing and advertising communications to the public the following information: (i) the number of customers served by the GreenUp Service Supplier, (ii) the number of RECs sold as part of GreenUp Service, and (iii) such other information as may be required to be disclosed to Customers receiving GreenUp Service in the GreenUp Service Environmental Disclosure Statements, as provided in the Terms and Conditions.

X. Termination

Notwithstanding anything to the contrary elsewhere in this Agreement, a Party, by written notice to the other Party (“Breaching Party”), may terminate this Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or

(c) the Breaching Party commits a material breach of any of its obligations under this Agreement or the Terms and Conditions and has not cured such breach within fifteen (15) days after receipt of a written notice from the other Party specifying the nature of such (other than the obligations set forth in Section 5 of the Terms and Conditions).

No delay by a Party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.

The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which a Party is legally entitled.

XI. Force Majeure

No Party shall be considered in default under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other Party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected Party's fault or negligence, is caused by factors beyond the affected Party's reasonable control and that by exercise of reasonable diligence the affected Party is unable to prevent or overcome, including without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, act of war (whether declared or otherwise), insurrection, act of God or the public enemy, and acts of a judicial, government or regulatory body, public authority or Independent System Operator. In the event of a force majeure, both Parties shall take all reasonable steps to comply with this Agreement.

XII. Liability and Indemnification

The Parties acknowledge and agree that the liability and indemnification provisions in Section 11 of the Terms and Conditions are incorporated herein by reference. For purposes of such liability and indemnification, however, the Parties acknowledge and agree that nothing in such Terms and Conditions prohibits one Party from impleading the other Party as a third-party defendant, whether or not one or more Parties are named as defendants in the initial underlying claim brought by a third-party against the Party seeking indemnification under this Agreement. Proceedings to resolve the third-party claim as between the Parties hereto shall be stayed pending resolution of any dispute regarding liability and indemnification under this Agreement. Such resolution shall be final and binding upon the Parties only after agreement between the Parties or after entry of a final judgment, after any further appeals of a court of competent jurisdiction to which any appeal may have been taken from the determination of the arbitrator(s).

The Parties acknowledge and agree that for purposes of Section 10 of the Terms and Conditions, a Party seeking recovery from the other Party in connection with the performance of its obligations of the Terms and Conditions shall not be entitled to recovery if its conduct is deemed to be more negligent than the conduct of the other Party.

Notwithstanding anything in this Agreement or the Terms and Conditions to the contrary, in no event shall a Party hereto be liable to the other Party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now or may in the future be in effect, including without limitation: contract, tort, strict liability, or negligence.

Notwithstanding the availability of other remedies at law or in equity, a Party hereto shall be entitled to specific performance to remedy a breach of this Agreement by the other Party.

The provisions of this Section shall survive the termination of this Agreement.

XIII. Terms and Conditions

The Parties agree to act in compliance with the Terms and Conditions at all times. In the event of a conflict between the provisions of this Agreement and the provisions of the Terms and Conditions, the provisions of the Terms and Conditions shall control.

XIV. Notice

All notices and other communications to the Company shall be sent to the Company contacts listed on the Company's website. Notices and other communications to GreenUp Service Supplier shall be sent to the address or facsimile as shown on Exhibit B. A Party may designate different address or facsimile information by giving notice in writing to the other Party as set forth in this Section XIV. The Parties agree that such written notice, upon confirmation of receipt, shall constitute an acceptable writing.

XV. Governing Law

This Agreement is governed by the laws of the State of Rhode Island ~~and Providence Plantations~~ without regard to the conflict of laws in effect therein.

XVI. Severability

In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining portions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

XVII. Dispute Resolution

A Party shall provide to the other Party, in writing, the basis for any dispute. Disputes shall be referred to the Parties' representatives for resolution. The Parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the Parties shall continue to fulfill their obligations under this Agreement in good faith, unless this Agreement has been suspended or terminated as provided for under this Agreement or in the Terms and Conditions. If the Parties fail to resolve the dispute within thirty (30) days of receipt of the written basis for the dispute, or such longer period to which the Parties mutually agree, the dispute shall be filed with the Commission R.I.P.U.C. for resolution.

XVIII. Assignment and Delegation

A Party to this Agreement may assign any of its rights or obligations under this Agreement; provided however, that no assignment by GreenUp Service Supplier shall take effect until the assignee has met the requirements of Section III hereunder. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee.

In addition, a Party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting Party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other Party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and the Terms and Conditions. The assigning or subcontracting Party shall provide the other Party with thirty (30) calendar days' prior written

notice of any such subcontracting or assignment, which notice shall include such information about the subcontractor as the other Party shall reasonably require.

XIX. Miscellaneous

This Agreement, and any agreement signed by the Parties hereto that expressly references this Agreement, together constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, communications, and representations; provided, that, both Parties shall be bound by any applicable tariff provisions in effect at the time of this Agreement or as may be added or amended at a future date.

This Agreement may be amended by written agreement of the Parties.

Paragraph headings are for convenience only and are not to be construed as part of this Agreement.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, and all of such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

THE NARRAGANSETT ELECTRIC COMPANY

By: _____

Name:

Title:

[GREENUP SERVICE SUPPLIER]

By: _____

Name:

Title:

EXHIBIT A

COMPANY SPECIFIC PROVISIONS

1. Holidays and Time

Any reference made with respect to time either in this agreement or the EBT Standards is understood to be Eastern Standard Time (“EST”).

The Company observes the following holidays and will not receive or process EBT on the following days: New Year’s Day, Martin Luther King, Jr. Day, President’s Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veteran’s Day, Thanksgiving Day, tThe Day After Thanksgiving, tThe Last Weekday Before Christmas Day, and Christmas Day. All holidays will be the nationally observed day.

2. Money Transfers

The Company will transfer payments to the GreenUp Service Supplier by way of Automated Clearing House within three (3) business days of the Company’s receipt of payment from the Customer.

3. Business Continuity Plan

If the electronic transmission vehicle used to send and receive files is out of service, the Company will use a business continuity plan that will be posted on the Company's web site. In such an event, GreenUp Service Supplier agrees to cooperate with Company and abide by the procedures of the Company’s business continuity plan. GreenUp Service Supplier may contact the Company's representative, as provided below, for further information about accessing the business continuity plan.

EXHIBIT B**GREENUP SERVICE SUPPLIER INFORMATION**

GreenUp Service Supplier must fill this form out completely and return it to the Company prior to entering into a contract for services with the Company. Failure to fill out this form completely will render the Company unable to provide services for GreenUp Service Supplier.

A. General Information (all GreenUp Service Suppliers)

1. Legal name of GreenUp Service Supplier _____
2. d.b.a. name, if applicable _____
3. GreenUp Service Supplier Address _____

4. Type of Business Entity _____
5. GreenUp Service Supplier Customer Service phone number

6. GreenUp Service Supplier Tax Identification number

7. GreenUp Service Supplier Dun & Bradstreet number

8. Name of the GreenUp Service Supplier's general contact

9. GreenUp Service Supplier's general contact phone number

10. GreenUp Service Supplier's general contact facsimile number

- _____
11. GreenUp Service Supplier's general contact e-mail address
- _____
12. Name of GreenUp Service Supplier's technical contact
- _____
13. GreenUp Service Supplier's technical contact phone number
- _____
14. GreenUp Service Supplier's technical contact facsimile number
- _____
15. GreenUp Service Supplier's technical contact e-mail address
- _____

B. Billing and Banking Information

1. If the GreenUp Service Supplier is planning to assign its own account number, provide format and size _____
2. Name of receiving bank (to accept electronic transfer of customer payments) _____
3. Routing and transit number (ABA number) _____
4. Bank account number _____

C. Communications Information

- 1. ISA Qualifier** (Use "1" for DUNs and "9" for DUNS + 4) _____
- 2. ISA Sender/Receiver ID** _____
- 3. GS Sender/Receiver ID** _____
- 4. N1*SJ ~Qualifier~ID** _____
- 5. Sender IP Address** _____

6. **Receiver URL Address** _____
7. **Port Number** _____
8. **Authentication ID** _____
9. **Authentication Password** _____
10. **PGP Public Keys** _____
11. **Protocol Failure E-Mail** _____
12. **VAN Phone Number, if used:** _____
13. **CGI Program Name** _____

D. Notices to GreenUp Service Supplier shall go to:

Name: _____

Address: _____

Phone Number: _____

Facsimile Number: _____

Electronic Mail: _____

Authorized Signature: _____

Title: _____

Date: _____

EXHIBIT C

Terms and Conditions for GreenUp Service

EXHIBIT D**RENEWABLE ENERGY UPGRADE SERVICE
MARKETING GUIDELINES**

The Company is fully committed to making GreenUp Service a success. The Company will treat all GreenUp Service Suppliers fairly, equally, and in a non-discriminatory manner. The Company will not partner with, nor promote, any one GreenUp Service Supplier over another.

The Company will not recommend or take a position on the customer selection of a GreenUp Service Supplier. If customers request information about obtaining GreenUp Service, the Company will provide a list of all GreenUp Service Suppliers pursuant to the Service Agreement.

The Company will help facilitate GreenUp Service marketing by providing on its website information about the program and participating GreenUp Service Suppliers. The Company will provide a minimum of one bill insert per year, over the life of the program, describing the offerings of participating GreenUp Service Suppliers. Customer education initiatives may include press releases, bill inserts, and bill newsletter articles. The Company will work with interested parties to develop a standard description and endorsement of GreenUp Service that GreenUp Service Suppliers may use in their marketing materials without the Company's prior written consent.

In addition, the Company's website will include detailed information about each GreenUp Service Supplier's product offerings and prices, along with links to each of their websites to help facilitate the enrollment process. GreenUp Service Suppliers will have the opportunity to comment on the content of website information prior to the website going live.

Absent the prior written consent of the Company, GreenUp Service Suppliers may not use the Company logos in any customer communication or marketing materials prepared by or for any GreenUp Service Supplier. Any communications to customers relating to GreenUp Service shall be forwarded to the Company at least seven (7) days prior to public release.

The Company reserves the right, in its sole discretion, to change these guidelines at any time without notice.

GREENUP SERVICE SUPPLIER SERVICE AGREEMENT

This Agreement (the “Agreement”), dated as of _____, 20__ (“Effective Date”), is made and entered into by and between The Narragansett Electric Company, a Rhode Island corporation with a principal place of business at 280 Melrose Street, Providence, RI (“Company”); and _____, a _____ corporation with a principal place of business at _____ (“GreenUp Service Supplier”). The Company and the GreenUp Service Supplier may hereinafter be referred to individually as the “Party” or referred to collectively as the “Parties.”

WHEREAS, the Parties to this Agreement desire to stimulate the development of renewable energy resources, to promote the sale of renewable energy and the growth of renewable energy markets in the Company’s service territory, and to offer the Company’s Customers increased options to support the growth of renewable energy resources; and

WHEREAS, the Parties desire to work together to provide GreenUp Service to Customers, whereby: (i) the GreenUp Service Supplier will sell RECs to and purchase RECs on behalf of Customers who are provided Last Resort Service by the Company, and (ii) the Company will perform the functions necessary to bill GreenUp Service for the GreenUp Service Supplier and account for the RECs billed on behalf of and provided by the GreenUp Service Supplier.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth hereinafter, the Parties agree as follows:

I. Definitions

Any capitalized term used in this Agreement and not otherwise defined herein shall have the meaning ascribed to it in the Terms and Conditions for GreenUp Service (“Terms and Conditions”), which is attached hereto as Exhibit C and incorporated herein by reference, or in the regulations of the Rhode Island Public Utilities Commission (the “Commission”).

II. Term

Except as provided in Section X of this Agreement, this Agreement shall become effective on the Effective Date and shall continue in full force and effect until the later of the end of Last Resort Service, the Commission’s approval of the termination of the Terms and Conditions, or the Commission’s approval of any modification of the Terms and Conditions that has a material adverse effect on the Company’s ability to provide GreenUp Service.

Notwithstanding the foregoing, the Parties agree to abide by all terms of this Agreement until the processing of any transactions that are outstanding or pending at termination is completed.

Notwithstanding the Effective Date, GreenUp Service Supplier acknowledges that the Company will provide services as set forth in Section VI only upon the satisfaction or express, written waiver by the Company of the requirements found in Section III of this Agreement.

III. Conditions Precedent

The following requirements shall be conditions precedent to the Company’s obligations hereunder:

- A. GreenUp Service Supplier shall provide all information required by the GreenUp Service Supplier Information document, attached hereto as Exhibit B.
- B. GreenUp Service Supplier shall furnish to the Company a complete schedule of

its pricing options for each GreenUp Service product offering in an electronic format reasonably acceptable to the Company, in the Company's discretion, no fewer than ten (10) business days prior to initial Customer enrollment for any such GreenUp Service product offering.

C. Prior to Customer enrollment, GreenUp Service Supplier shall successfully complete testing with the Company of the Electronic Business Transactions ("EBT") as specified in the EBT Standards.

IV. Representations

Each Party represents that it is and shall remain in compliance with all laws, tariffs, and the Commission regulations applicable to this Agreement or to the transactions contemplated hereunder during the term of this Agreement.

Each person executing this Agreement for their respective Party represents and warrants that they have authority to bind that Party.

Each Party represents that: (a) it has the full power and authority to execute, deliver, and perform this Agreement; (b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes that Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

Each Party shall exercise all reasonable care, diligence, and good faith in the performance of its duties pursuant to this Agreement and carry out its duties in accordance with applicable recognized professional standards.

V. GreenUp Service Supplier's Responsibilities

Any pending change in the information required in Exhibit B shall be updated by GreenUp Service Supplier five (5) business days prior to the effective date of such pending change.

GreenUp Service Supplier acknowledges that the Company will select and may, from time to time, change the electronic transmission vehicle. The current electronic transmission vehicle is the North American Energy Standards Board ("NAESB") version 1.6. Company will not change the electronic transmission vehicle without first providing GreenUp Service Supplier via Internet electronic mail at least seven (7) days' notice of any such change.

During the term of this Agreement, should any revisions be implemented to the EBT contained in EBT Standards subsequent to the initial testing period referenced in Section III(C) above, GreenUp Service Supplier shall be required to successfully complete testing of said revised EBT in accordance with the EBT Standards.

Any change in pricing for GreenUp Service Supplier's GreenUp Service product offerings shall be pursuant to the Company's Complete Billing Process for Competitive Suppliers, found at

https://www9.nationalgridus.com/non_html/shared_CompleteBillingProcess.pdf.

VI. Company Service and Responsibilities

A. Standard Complete Billing Service

Company agrees to issue a single bill for electric service and GreenUp Service. The Company agrees to use the pricing options supplied by GreenUp Service Supplier to calculate the GreenUp Service Supplier portion of Customer bills and integrate GreenUp Service Supplier's billing with the Company's billing in a single mailing to the Customer.

The Company agrees to provide GreenUp Service Supplier with Customer usage and billing information in accordance with the EBT Standards. Upon receipt of Customer payments, the Company agrees to send a payment/adjustment transaction to the GreenUp Service Supplier in accordance with the EBT Standards.

B. Transaction Processing

Customer transactions will be processed consistent with the procedures set forth in EBT Standards. These transactions include, but are not limited to, account administration, reporting of Customer usage and billing, and reporting of Customer payments and adjustments. Any changes in these standard transactions will be consistent with the procedures set forth in EBT Standards.

C. Rendering of Bills

Rendering of bills is the preparation and mailing of statements of the amounts due from the Customer for GreenUp Service. These statements will be included as part of the regular monthly bill mailed to the Customer for the Company's Distribution Service. These statements will include GreenUp Service Supplier's toll-free telephone number for Customer inquiries. The Company shall not be required to include messages or inserts containing GreenUp Service Supplier specific information.

D. Billing Errors

If either Party finds a billing error or other miscalculation on a bill or in the usage determinants used as the basis for either the Company or the GreenUp Service Supplier's bill calculation, that Party shall, within sixty (60) days from the date of the Customer's statement containing the error, notify the other Party in writing or electronically and explain the nature of the error. In the event of an error by the Company, the Company

shall either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. In the event of an error by the GreenUp Service Supplier, the Company will, upon GreenUp Service Supplier's request, and as is reasonably practicable, either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. If neither of the requested options is determined by the Company to be reasonably practicable, or if the GreenUp Service Supplier affirmatively chooses, the GreenUp Service Supplier may submit a rate pricing option correction as provided by the EBT Standards. GreenUp Service Supplier will be responsible to pay any fees, as filed with and approved by the Commission, for any rebilling and/or adjustment caused by GreenUp Service Supplier error. When either Party reasonably believes that an error related to billing activity may have occurred, either Party may request the production of documents required to verify the accuracy of such billing, which the other Party will provide within ten (10) business days. Notwithstanding the foregoing, the Parties acknowledge that the Company may send estimated bills to Customers in accordance with Commission regulations, and such estimated bills shall not be considered billing errors.

E. Payment Processing

GreenUp Service Supplier hereby authorizes the Company to process payments and apply monies in accordance with this Agreement. A Customer's payment shall be allocated between the Company and the GreenUp Service Supplier in accordance with the provisions of the Terms and Conditions. Upon posting a received payment, the

Company shall notify GreenUp Service Supplier prior to the close of the next business day that it has posted that payment, and shall send the payment to the GreenUp Service Supplier within three (3) business days, or as otherwise specified in Exhibit A.

VII. Customer Education and Information

The Company and the GreenUp Service Supplier shall undertake reasonable efforts to inform and educate the Company's Customers about the opportunities to participate in, support, and receive GreenUp Service. The Company intends to support a program to disseminate information to Customers about the GreenUp Service Suppliers offering GreenUp Service to the Company's Customers. The program will include information on the Company's website describing GreenUp Service and educational material sent by the Company identifying the GreenUp Service Supplier as a member in good standing of a list of participating GreenUp Service Suppliers in the program. To be eligible for inclusion in this program, the GreenUp Service Supplier must: (1) offer GreenUp Service on a nondiscriminatory basis to all Customers, subject to REC availability and supply; (2) offer GreenUp Service to Customers on terms and conditions for retail service that are consistent with the model terms and conditions that have been agreed to by all GreenUp Service Suppliers participating in the program; (3) have all of its most recent Environmental Disclosure Statements conform to the Terms and Conditions, the orders and regulations of the Commission, and the contracts with Customers whose load is included in each of GreenUp Service Supplier's subaccounts; (4) not be under any enforcement order or injunction by the Proper Authorities; and (5) abide by the Marketing Guidelines included as Exhibit D to this Agreement.

GreenUp Service Supplier shall be free to issue and disseminate its own marketing

materials and to advertise its products as it wishes. Any independent marketing materials issued by the GreenUp Service Supplier, however, shall be provided to the Company seven (7) days in advance for the Company's informational purposes only. Other than stating that GreenUp Service is available to the Company's Customers, GreenUp Service Supplier shall not use the Company's logo or name on any independent marketing materials without the Company's prior written consent.

VIII. Billing and Payment for Services

Bills for services provided by the Company under the terms of this Agreement shall be rendered to GreenUp Service Supplier on a monthly basis and shall be due upon receipt of said bill, unless otherwise specified in Exhibit A. Failure by GreenUp Service Supplier to pay within twenty-five (25) days of the posting date on the bill shall result in the addition of interest on any unpaid balance, calculated at the rate of one and one-half percent (1.5%) per month commencing from the date said bill was posted. The posting date is the date the bill is transmitted to the GreenUp Service Supplier. The bill may also be transmitted electronically if agreed to in Exhibit A by the Parties.

IX. Nondisclosure

No Party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such party, without the express prior written consent of the affected Party. As used herein, the term "Confidential Information" shall include, but not be limited to: (i) all business, financial, and commercial information pertaining to a Party, customers of a Party, suppliers for a Party, and personnel of a Party, (ii) any trade secrets of a

Party, and (iii) other information of a similar nature, whether written or in intangible form, that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include: (a) information known to a Party prior to obtaining the same from the other Party, (b) information in the public domain, (c) information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a party who was under an obligation of confidentiality to the other Party to this Agreement, or (d) information developed by a Party independent of any Confidential Information. The receiving Party shall use the higher of the standard of care that the receiving Party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. The receiving Party shall, upon termination of this Agreement or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

Notwithstanding the foregoing, a Party may disclose Confidential Information without prior consent from the non-disclosing Party to: (i) any governmental, judicial, regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, including, without limitation, the reports filed with Proper Authorities under the Terms and Conditions, provided that such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority and prior to such disclosure, the affected Party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure, (ii) any of its directors, officers, employees, agents, advisors, accountants, consultants or

representatives on a need-to-know basis, and (iii) any independent certifying, auditing, or standard-setting authority or body that audits or oversees such Party (including without limitation the Center for Resource Solutions, Green-E Renewable Electricity Certification Program or any similar authority or body) as required by such authority or body, provided that such Confidential Information shall be submitted under any applicable provision, if any, for confidential treatment by such certifying or stand-setting authority or body or under a confidentiality agreement with such authority or body. Notwithstanding the foregoing, a Party may disclose in its marketing and advertising communications to the public the following information: (i) the number of customers served by the GreenUp Service Supplier, (ii) the number of RECs sold as part of GreenUp Service, and (iii) such other information as may be required to be disclosed to Customers receiving GreenUp Service in the GreenUp Service Environmental Disclosure Statements, as provided in the Terms and Conditions.

X. Termination

Notwithstanding anything to the contrary elsewhere in this Agreement, a Party, by written notice to the other Party (“Breaching Party”), may terminate this Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Agreement

or the Terms and Conditions and has not cured such breach within fifteen (15) days after receipt of a written notice from the other Party specifying the nature of such (other than the obligations set forth in Section 5 of the Terms and Conditions).

No delay by a Party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.

The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which a Party is legally entitled.

XI. Force Majeure

No Party shall be considered in default under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other Party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected Party's fault or negligence, is caused by factors beyond the affected Party's reasonable control and that by exercise of reasonable diligence the affected Party is unable to prevent or overcome, including without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, act of war (whether declared or otherwise), insurrection, act of God or the public enemy, and acts of a judicial, government or regulatory body, public authority or Independent System Operator. In the event of a force majeure, both Parties shall take all reasonable steps to comply with this Agreement.

XII. Liability and Indemnification

The Parties acknowledge and agree that the liability and indemnification provisions in Section 11 of the Terms and Conditions are incorporated herein by reference. For purposes of such liability and indemnification, however, the Parties acknowledge and agree that nothing in such Terms and Conditions prohibits one Party from impleading the other Party as a third-party defendant, whether or not one or more Parties are named as defendants in the initial underlying claim brought by a third-party against the Party seeking indemnification under this Agreement. Proceedings to resolve the third-party claim as between the Parties hereto shall be stayed pending resolution of any dispute regarding liability and indemnification under this Agreement. Such resolution shall be final and binding upon the Parties only after agreement between the Parties or after entry of a final judgment, after any further appeals of a court of competent jurisdiction to which any appeal may have been taken from the determination of the arbitrator(s).

The Parties acknowledge and agree that for purposes of Section 10 of the Terms and Conditions, a Party seeking recovery from the other Party in connection with the performance of its obligations of the Terms and Conditions shall not be entitled to recovery if its conduct is deemed to be more negligent than the conduct of the other Party.

Notwithstanding anything in this Agreement or the Terms and Conditions to the contrary, in no event shall a Party hereto be liable to the other Party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now or may in the future be in effect, including without limitation: contract, tort, strict liability, or negligence.

Notwithstanding the availability of other remedies at law or in equity, a Party hereto shall be entitled to specific performance to remedy a breach of this Agreement by the other Party.

The provisions of this Section shall survive the termination of this Agreement.

XIII. Terms and Conditions

The Parties agree to act in compliance with the Terms and Conditions at all times. In the event of a conflict between the provisions of this Agreement and the provisions of the Terms and Conditions, the provisions of the Terms and Conditions shall control.

XIV. Notice

All notices and other communications to the Company shall be sent to the Company contacts listed on the Company's website. Notices and other communications to GreenUp Service Supplier shall be sent to the address or facsimile as shown on Exhibit B. A Party may designate different address or facsimile information by giving notice in writing to the other Party as set forth in this Section XIV. The Parties agree that such written notice, upon confirmation of receipt, shall constitute an acceptable writing.

XV. Governing Law

This Agreement is governed by the laws of the State of Rhode Island without regard to the conflict of laws in effect therein.

XVI. Severability

In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining portions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

XVII. Dispute Resolution

A Party shall provide to the other Party, in writing, the basis for any dispute. Disputes shall be referred to the Parties' representatives for resolution. The Parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the Parties shall continue to fulfill their obligations under this Agreement in good faith, unless this Agreement has been suspended or terminated as provided for under this Agreement or in the Terms and Conditions. If the Parties fail to resolve the dispute within thirty (30) days of receipt of the written basis for the dispute, or such longer period to which the Parties mutually agree, the dispute shall be filed with the Commission for resolution.

XVIII. Assignment and Delegation

A Party to this Agreement may assign any of its rights or obligations under this Agreement; provided however, that no assignment by GreenUp Service Supplier shall take effect until the assignee has met the requirements of Section III hereunder. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee.

In addition, a Party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting Party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other Party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and the Terms and Conditions. The assigning or subcontracting Party shall provide the other Party with thirty (30) calendar days' prior written notice of any such subcontracting or assignment, which notice shall include such information

about the subcontractor as the other Party shall reasonably require.

XIX. Miscellaneous

This Agreement, and any agreement signed by the Parties hereto that expressly references this Agreement, together constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, communications, and representations; provided, that, both Parties shall be bound by any applicable tariff provisions in effect at the time of this Agreement or as may be added or amended at a future date.

This Agreement may be amended by written agreement of the Parties.

Paragraph headings are for convenience only and are not to be construed as part of this Agreement.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, and all of such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

THE NARRAGANSETT ELECTRIC COMPANY

By: _____
Name:
Title:

[GREENUP SERVICE SUPPLIER]

By: _____
Name:
Title:

EXHIBIT A

COMPANY SPECIFIC PROVISIONS

1. Holidays and Time

Any reference made with respect to time either in this agreement or the EBT Standards is understood to be Eastern Standard Time (“EST”).

The Company observes the following holidays and will not receive or process EBT on the following days: New Year’s Day, Martin Luther King, Jr. Day, President’s Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran’s Day, Thanksgiving Day, the Day After Thanksgiving, and Christmas Day. All holidays will be the nationally observed day.

2. Money Transfers

The Company will transfer payments to the GreenUp Service Supplier by way of Automated Clearing House within three (3) business days of the Company’s receipt of payment from the Customer.

3. Business Continuity Plan

If the electronic transmission vehicle used to send and receive files is out of service, the Company will use a business continuity plan that will be posted on the Company's web site. In such an event, GreenUp Service Supplier agrees to cooperate with Company and abide by the procedures of the Company’s business continuity plan. GreenUp Service Supplier may contact the Company's representative, as provided below, for further information about accessing the business continuity plan.

EXHIBIT B**GREENUP SERVICE SUPPLIER INFORMATION**

GreenUp Service Supplier must fill this form out completely and return it to the Company prior to entering into a contract for services with the Company. Failure to fill out this form completely will render the Company unable to provide services for GreenUp Service Supplier.

A. General Information (all GreenUp Service Suppliers)

1. Legal name of GreenUp Service Supplier _____
2. d.b.a. name, if applicable _____
3. GreenUp Service Supplier Address _____

4. Type of Business Entity _____
5. GreenUp Service Supplier Customer Service phone number

6. GreenUp Service Supplier Tax Identification number

7. GreenUp Service Supplier Dun & Bradstreet number

8. Name of the GreenUp Service Supplier's general contact

9. GreenUp Service Supplier's general contact phone number

10. GreenUp Service Supplier's general contact facsimile number

- _____
11. GreenUp Service Supplier's general contact e-mail address

 12. Name of GreenUp Service Supplier's technical contact

 13. GreenUp Service Supplier's technical contact phone number

 14. GreenUp Service Supplier's technical contact facsimile number

 15. GreenUp Service Supplier's technical contact e-mail address

B. Billing and Banking Information

1. If the GreenUp Service Supplier is planning to assign its own account number, provide format and size _____
2. Name of receiving bank (to accept electronic transfer of customer payments) _____
3. Routing and transit number (ABA number) _____
4. Bank account number _____

C. Communications Information

1. **ISA Qualifier** (Use "1" for DUNs and "9" for DUNS + 4) _____
2. **ISA Sender/Receiver ID** _____
3. **GS Sender/Receiver ID** _____
4. **N1*SJ ~Qualifier~ID** _____
5. **Sender IP Address** _____

6. **Receiver URL Address** _____
7. **Port Number** _____
8. **Authentication ID** _____
9. **Authentication Password** _____
10. **PGP Public Keys** _____
11. **Protocol Failure E-Mail** _____
12. **VAN Phone Number, if used:** _____
13. **CGI Program Name** _____

D. Notices to GreenUp Service Supplier shall go to:

Name: _____

Address: _____

Phone Number: _____

Facsimile Number: _____

Electronic Mail: _____

Authorized Signature: _____

Title: _____

Date: _____

EXHIBIT C

Terms and Conditions for GreenUp Service

EXHIBIT D**RENEWABLE ENERGY UPGRADE SERVICE
MARKETING GUIDELINES**

The Company is fully committed to making GreenUp Service a success. The Company will treat all GreenUp Service Suppliers fairly, equally, and in a non-discriminatory manner. The Company will not partner with, nor promote, any one GreenUp Service Supplier over another.

The Company will not recommend or take a position on the customer selection of a GreenUp Service Supplier. If customers request information about obtaining GreenUp Service, the Company will provide a list of all GreenUp Service Suppliers pursuant to the Service Agreement.

The Company will help facilitate GreenUp Service marketing by providing on its website information about the program and participating GreenUp Service Suppliers. The Company will provide a minimum of one bill insert per year, over the life of the program, describing the offerings of participating GreenUp Service Suppliers. Customer education initiatives may include press releases, bill inserts, and bill newsletter articles. The Company will work with interested parties to develop a standard description and endorsement of GreenUp Service that GreenUp Service Suppliers may use in their marketing materials without the Company's prior written consent.

In addition, the Company's website will include detailed information about each GreenUp Service Supplier's product offerings and prices, along with links to each of their websites to help facilitate the enrollment process. GreenUp Service Suppliers will have the opportunity to comment on the content of website information prior to the website going live.

Absent the prior written consent of the Company, GreenUp Service Suppliers may not use the Company logos in any customer communication or marketing materials prepared by or for any GreenUp Service Supplier. Any communications to customers relating to GreenUp Service shall be forwarded to the Company at least seven (7) days prior to public release.

The Company reserves the right, in its sole discretion, to change these guidelines at any time without notice.



The Narragansett Electric Company ~~d/b/a National Grid~~

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Small-Scale Solar
Projects**

Effective Date: ~~April 1, 2020~~ September 1, 2022

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I. Introduction and Overview

~~National Grid~~The Narragansett Electric Company (the “Company”) would like to welcome you to the Rhode Island Renewable Energy Growth Program (“RE Growth Program”). The RE Growth Program seeks to make it easy and attractive to install solar photovoltaic (“PV”) systems at the homes and businesses of ~~the Company~~~~National Grid~~’s customers. An applicant (“Applicant”) to the RE Growth Program may be a solar developer or a ~~National Grid~~Company customer.

Residential customers or their developers may apply for the RE Growth Program on a first-come, first-served basis. These solar systems will earn “Bill Credits” for the customer from the energy produced and used, and the remainder of the Standard Performance Based Incentive (“PBI”) payment for the renewable energy certificates from the enrolled system and any excess production. This program year’s Standard PBIs are listed in Schedule 2 in this document.

Non-residential customers or their developers may also apply to the RE Growth Program on a first-come, first-served basis. These solar systems will have the option to receive the entire incentive payment directly or a combination of a direct payment and a Bill Credit for the customer, as specified in the Non-Residential Tariff.

This document provides information on the Solicitation and Enrollment Rules necessary to participate and enroll in the RE Growth Program.

~~1.1~~ ~~1.1~~ Purpose of the Solicitation and Enrollment

The RE Growth Program was developed pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development of and compensation paid to distributed generation (“DG”) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) provide the means by which a project can qualify for and enroll in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Company’s RE Growth Program Tariff for Residential Customers and the RE Growth Program Tariff for Non-Residential Customers (together, the “Tariffs”). Any term not defined in the Rules is defined in the Tariffs.

A Small-Scale Solar Project is a solar project with a nameplate generating capacity up to and including twenty-five kilowatts (25 kW). A Small-Scale Solar DG Project’s nameplate capacity is the total rated power output of all solar panels measured in direct current (“DC”).

Under the RE Growth Program, ~~National Grid~~the Company will not execute contracts with Applicants.

1.2 Enrollment Framework

~~National Grid~~The Company is operating the RE Growth Program, as guided by the Distributed Generation Board (“Board”) in consultation with the Rhode Island Office of Energy Resources

(“OER”). The RE Growth Program is subject to the approval of the Rhode Island Public Utilities Commission (“Commission”). ~~National Grid~~The Company may also consult with the Rhode Island Division of Public Utilities and Carriers (“Division”).

For each program year, there will be a target amount of megawatts (MW) to be enrolled for the year (“annual MW target”), which will be based on the projects’ aggregate nameplate capacity. The nameplate capacity of a solar project is the total rated power output of all solar panels measured in DC. A “program year” means a year beginning April 1 and ending March 31.

A total of at least 3 MW of capacity shall be carved out exclusively for Small-Scale Solar Projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW class target for Small-Scale Solar Projects. Please see Schedule 1 for the currently approved annual MW target for Small-Scale Solar Projects.

For each program year, the Board will recommend the Standard Performance-Based Incentive (PBI) for each renewable energy class, subject to Commission approval. Small-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1. See Schedule 2 for the approved Standard PBIs for the current program year.

1.2.1 Applications

During each program year, Applicants can enroll at any time until the annual MW target for the Small-Scale Solar Project class has been met, including the possible availability of additional capacity under the annual MW target. Applicants may elect to participate in the RE Growth Program within their application for interconnection, pursuant to the Company’s Standards for Connecting Distributed Generation tariff. There is no separate enrollment application for Small-Scale Solar Projects.

To be eligible to receive approval for the current program year’s tariff rates and capacity allocations, Small-Scale Solar Applicants must submit, and the Company must receive, all required forms and documentation, as listed on the RE Growth application checklist, and all must be filled out and signed with no deficiencies of information, by 4 p.m. Eastern Prevailing Time on March 31, 2019. Any application which is found to be missing required forms or information that is supplied after that time and date will be considered for participation in the following program year at that year’s tariff rates and class allocations.

Applicants will be selected for the RE Growth Program in accordance with the provisions below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and [National Gridthe Company](#) will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to [National Gridthe Company](#). Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

Self-installers, and new installers who have not installed an RE Growth [Program](#) Small-Scale project prior to the 2019 Program Year will be required to complete mandatory training through a webinar prior to submitting an interconnection application. The training, offered by the Rhode Island Office of Energy Resources, will be a recorded webinar that discusses the Minimum Technical Requirements and the unique interconnection requirements of the RE Growth Program. A Certificate of Completion, indicating that the installer has completed the training, must be submitted with the interconnection application.

New in 2020, a completed and signed Consumer Disclosure Form is required with all residential applications at the time of submission. There are separate forms for Customer-Owned systems, Third-Party Owned systems, and Self-Installed systems. These forms may be found on the RE Growth Program website at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

1.2.2.3 Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC.

Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a [National GridCompany](#) customer's residence where the residential customer receives electric service

under either Basic Residential Rate A-16 or Low Income Rate A-60. The project must meet the sizing requirements as defined in the Residential RE Growth Tariff.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured to receive Bill Credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff, but Tariff but are not required to do so. These projects will receive electric service pursuant to the appropriate general service retail delivery service tariff.

1.2.2.3.1 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources. In addition, DG projects installed on contiguous parcels or a single parcel will not be considered segmented if they serve different customers and both customers opt to receive Bill Credits under Option 2 as described in Section 8.c. of the Non-Residential RE Growth Tariff. In addition, if the separate projects on a single parcel in aggregate would not qualify the facilities as a larger class, then they will not be considered segmented, and would be allowed. For example, if a developer proposes a 12 kW and a 12 kW on the same parcel (totaling 24 kW together), this would be the same class and ceiling price as the projects are subject to individually.

1.2.2.3.2 Compliance with Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have on-site load may receive a credit on their electric bill based upon the value of the on-site use, provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive Bill Credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. The Project must be

reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer's service location; 2) the annualized On-Site Use over the period of service to the Residential Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location.

II. Interconnection Application, Selection, and Enrollment Process

2.1 Performance-Based Incentive ("PBI") Payments for Small-Scale Solar Projects

Applicants may elect to enroll in the RE Growth Program within their interconnection applications.

Residential

The PBI is a price per kilowatt-hour for all of the Renewable Energy Certificates ("RECs") and any other environmental attributes or market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program, less the value of Bill Credits for the energy and capacity value that is deemed to be used on site by the customer and must be deducted from the value listed in the Supplements.

Non-Residential

The PBI is a price per kilowatt-hour that will be paid for all of the energy, capacity, RECs, and other environmental attributes and market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

2.2 Interconnection Application Prior to Enrollment

To apply, a prospective participant must submit an application for interconnection and elect to participate in the RE Growth Program. All interconnection costs must be paid by the Applicant of the ~~distributed generation (DG)~~ project.

For information regarding the interconnection process and the standards for the interconnection of generators in Rhode Island, please see:

ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

2.2.1 Site Control

The Applicant must show actual control of the site where the Small-Scale Solar Project is to be located, or show it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive,

unconditional option to own or lease) the site (or residence in the case of a Residential Small-Scale Solar Project) on which the project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.2.2 Total Project Cost

Applications must include the estimated total project development costs. Applications that do not include the estimated total project development costs will be rejected. Total project development cost is defined as: “The total cost of the solar equipment, design, development, construction, interconnection, permitting, financing (if known), and labor necessary to install the solar PV project. This figure should not account for any tax incentives, grants, or other cash incentives. Additional costs, indirectly related to the solar project, such as roofing work, should not be included.”

2.2.3 Energy Storage Systems

Energy Storage Systems (“ESS”), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth [Program](#) qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth [Program](#) production meter. When configured to charge directly from the RE Growth [Program](#) system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth [Program](#) production meter. Please see the available “ESS Guidance Diagrams” available on the RE Growth [Program](#) webpage at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program

2.3 Issuance of Certificates of Eligibility

~~National Grid~~ [The Company](#) shall award Certificates of Eligibility to the selected Small-Scale Solar Projects. ~~National Grid~~ [The Company](#) is not required to obtain Commission confirmation or approval in awarding Certificates of Eligibility to Small-Scale Solar Projects. Certificates of Eligibility given to Small-Scale Solar Projects are subject to the review and consent of the OER. ~~National Grid~~ [The Company](#) files a list of all awarded certificates with the Commission. Certificates of Eligibility will be awarded to eligible Small-Scale Solar Projects on a “first come, first served” basis until the annual MW target for the Small-Scale Solar class is fully subscribed.

The Certificate of Eligibility will contain applicable project information, including renewable technology and class, project capacity and energy output, term length, price, certificate issuance, and certificate effective dates.

2.4 Project Schedule

All Small-Scale Solar Projects have twenty-four (24) months to meet all other requirements pursuant to Section 6.a. of the Tariff in order to receive compensation under the RE Growth

Program. A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not become operational on or before the twenty-four (24) month deadline, the project's Certificate of Eligibility will be voided.

2.5 Ownership of Products for Small-Scale Solar

Residential

The Company shall have the rights to and receive title to:

- (1) ~~Renewable Energy Certificates (RECs)~~ generated by the project during the applicable term of the supplements to the Tariff supplement; and
- (2) Rights to any other environmental attributes or electricity market services or products that are created or produced by the project.

For Residential Small-Scale Solar Projects, the customer shall retain title to all energy and capacity produced by the project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

Non-Residential

The Company shall have the rights and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement;
- (2) All energy produced by the project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.5.1 Delivery of RECs and Registration in NEPOOL GIS

The Applicant must take all steps to both enable the Company to obtain the appropriate asset identification for the creation of RECs and the assignment of RECs to the Company through the New England Power Pool Generator Information System ("NEPOOL GIS") in accordance with the Tariffs. RECs must be delivered to the Company ~~National Grid~~ in the NEPOOL GIS.

2.5.2 Delivery of Energy into ISO-NE Market (Non-Residential Projects Only)

Energy must be delivered to ~~the Company~~ National Grid in the ISO-NE Rhode Island load zone.

2.5.3 Participation in ISO-NE Forward Capacity Market ("FCM")

Upon ~~National Grid's~~ the Company's election to acquire the capacity from a Project, ~~National Grid~~ the Company will assume the rights to the capacity, pursuant to the Tariff. ~~National Grid~~ The Company reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when ~~National Grid~~ the Company participates as Project Sponsor on behalf of any Project, the Applicant must support ~~National Grid~~ the Company, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5.4 Qualification of RECs

Small-Scale Solar Projects must qualify as an eligible renewable energy resource pursuant to the Rhode Island Renewable Energy Standard ("RES") and the Massachusetts Renewable Portfolio Standard ("RPS"). The Company will obtain such approvals on behalf of all Small-Scale Solar Projects. Applicants must cooperate with the Company, including but not limited to completing the Renewable Energy Certificate Assignment and Aggregation Certification Form, to obtain approval in order to be qualified under the RES and RPS.

3.1 ~~2.6~~ Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients' accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use ~~once three~~ (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and ~~standard offer supply~~ Last Resort Service rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

III. Contact Information and Other Provisions

3.1 Contact Information

All questions and communications regarding these Rules should be directed via electronic mail to ~~National Grid~~ The Narragansett Electric Company Environmental Transactions at the following address: RenewableContracts@nationalgrid.com.

3.2 Official Website for the Enrollment

The Solicitation and Enrollment Process Rules are posted on the Company's ~~the National Grid~~ Rhode Island RE Growth Program website: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

Information about the interconnection process and all submission of Interconnection Applications must be submitted through this site as well.

3.3 Rhode Island State Licensing Requirement

Pursuant to ~~Rhode Island~~ General Laws ~~Section~~ 5-65-1, a registered contractor or firm with a contractor's registration shall perform the work associated with the installation of solar energy systems or equipment (i.e., racking systems, inground mounting or anchoring).

Renewable energy firms or their subcontractor or agent conducting installation work must hold a Rhode Island General Contractors License and provide their license registration number on the approved Solar Permit or building permit for the project as a condition of final approval to enroll.

3.4 Confidentiality

The Board, ~~the~~ OER, and ~~National Grid~~[The Company](#) shall enter into an agreement regarding the sharing of information and data related to the RE Growth Program, including application information, details regarding project ownership, and pricing. At the request of the Board, the OER, ~~National Grid~~[The Company](#), or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.5 Facility Inspection by Independent Quality Inspector

All facilities shall be subject to inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection in reasonable time and with full access to the facility will be considered a potential cause for termination or suspension of PBI payments until cured.

3.6 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules is subject to the exclusive jurisdiction of the Commission. ~~National Grid~~[The Company](#) may, at any time up to the issuance of Certificates of Eligibility (Section 2.3 above) and without any liability on the part of ~~National Grid~~[The Company](#), postpone, withdraw and/or cancel an enrollment; alter, extend, or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Small-Scale Solar Annual MW Target**

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)
Small-Scale Solar I – (15 Year Tariff)	6.95 MW DC
Small-Scale Solar II — (20 Year Tariff)	

Note: Schedule 1 will be updated as required for each enrollment year.

Schedule 2**Approved Small-Scale Solar Standard PBI Applicable to Current Program Year**

Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Small-Scale Solar I – (1-10 kW)	29.65	15 Year Tariff
Small-Scale Solar II (11-25 kW)	23.45	20 Year Tariff

Note: The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.

The Narragansett Electric Company

Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects

Effective Date: September 1, 2022

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I. Introduction and Overview

The Narragansett Electric Company (the “Company”) would like to welcome you to the Rhode Island Renewable Energy Growth Program (“RE Growth Program”). The RE Growth Program seeks to make it easy and attractive to install solar photovoltaic (“PV”) systems at the homes and businesses of the Company’s customers. An applicant (“Applicant”) to the RE Growth Program may be a solar developer or a Company customer.

Residential customers or their developers may apply for the RE Growth Program on a first-come, first-served basis. These solar systems will earn “Bill Credits” for the customer from the energy produced and used, and the remainder of the Standard Performance Based Incentive (“PBI”) payment for the renewable energy certificates from the enrolled system and any excess production. This program year’s Standard PBIs are listed in Schedule 2 in this document.

Non-residential customers or their developers may also apply to the RE Growth Program on a first-come, first-served basis. These solar systems will have the option to receive the entire incentive payment directly or a combination of a direct payment and a Bill Credit for the customer, as specified in the Non-Residential Tariff.

This document provides information on the Solicitation and Enrollment Rules necessary to participate and enroll in the RE Growth Program.

1.1 Purpose of the Solicitation and Enrollment

The RE Growth Program was developed pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development of and compensation paid to distributed generation (“DG”) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) provide the means by which a project can qualify for and enroll in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Company’s RE Growth Program Tariff for Residential Customers and the RE Growth Program Tariff for Non-Residential Customers (together, the “Tariffs”). Any term not defined in the Rules is defined in the Tariffs.

A Small-Scale Solar Project is a solar project with a nameplate generating capacity up to and including twenty-five kilowatts (25 kW). A Small-Scale Solar DG Project’s nameplate capacity is the total rated power output of all solar panels measured in direct current (“DC”).

Under the RE Growth Program, the Company will not execute contracts with Applicants.

1.2 Enrollment Framework

The Company is operating the RE Growth Program, as guided by the Distributed Generation Board (“Board”) in consultation with the Rhode Island Office of Energy Resources (“OER”). The RE Growth Program is subject to the approval of the Rhode Island Public Utilities Commission

("Commission"). The Company may also consult with the Rhode Island Division of Public Utilities and Carriers ("Division").

For each program year, there will be a target amount of megawatts (MW) to be enrolled for the year ("annual MW target"), which will be based on the projects' aggregate nameplate capacity. The nameplate capacity of a solar project is the total rated power output of all solar panels measured in DC. A "program year" means a year beginning April 1 and ending March 31.

A total of at least 3 MW of capacity shall be carved out exclusively for Small-Scale Solar Projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW class target for Small-Scale Solar Projects. Please see Schedule 1 for the currently approved annual MW target for Small-Scale Solar Projects.

For each program year, the Board will recommend the Standard Performance-Based Incentive (PBI) for each renewable energy class, subject to Commission approval. Small-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1. See Schedule 2 for the approved Standard PBIs for the current program year.

1.2.1 Applications

During each program year, Applicants can enroll at any time until the annual MW target for the Small-Scale Solar Project class has been met, including the possible availability of additional capacity under the annual MW target. Applicants may elect to participate in the RE Growth Program within their application for interconnection, pursuant to the Company's Standards for Connecting Distributed Generation tariff. There is no separate enrollment application for Small-Scale Solar Projects.

To be eligible to receive approval for the current program year's tariff rates and capacity allocations, Small-Scale Solar Applicants must submit, and the Company must receive, all required forms and documentation, as listed on the RE Growth application checklist, and all must be filled out and signed with no deficiencies of information, by 4 p.m. Eastern Prevailing Time on March 31, 2019. Any application which is found to be missing required forms or information that is supplied after that time and date will be considered for participation in the following program year at that year's tariff rates and class allocations.

Applicants will be selected for the RE Growth Program in accordance with the provisions below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and the Company will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to the Company. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

Self-installers, and new installers who have not installed an RE Growth Program Small-Scale project prior to the 2019 Program Year will be required to complete mandatory training through a webinar prior to submitting an interconnection application. The training, offered by the Rhode Island Office of Energy Resources, will be a recorded webinar that discusses the Minimum Technical Requirements and the unique interconnection requirements of the RE Growth Program. A Certificate of Completion, indicating that the installer has completed the training, must be submitted with the interconnection application.

New in 2020, a completed and signed Consumer Disclosure Form is required with all residential applications at the time of submission. There are separate forms for Customer-Owned systems, Third-Party Owned systems, and Self-Installed systems. These forms may be found on the RE Growth Program website at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

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To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC.

Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a Company customer's residence where the residential customer receives electric service under either Basic

Residential Rate A-16 or Low Income Rate A-60. The project must meet the sizing requirements as defined in the Residential RE Growth Tariff.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured to receive Bill Credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff but are not required to do so. These projects will receive electric service pursuant to the appropriate general service retail delivery service tariff.

1.2.2.3.1 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources. In addition, DG projects installed on contiguous parcels or a single parcel will not be considered segmented if they serve different customers and both customers opt to receive Bill Credits under Option 2 as described in Section 8.c. of the Non-Residential RE Growth Tariff. In addition, if the separate projects on a single parcel in aggregate would not qualify the facilities as a larger class, then they will not be considered segmented, and would be allowed. For example, if a developer proposes a 12 kW and a 12 kW on the same parcel (totaling 24 kW together), this would be the same class and ceiling price as the projects are subject to individually.

1.2.2.3.2 Compliance with Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have on-site load may receive a credit on their electric bill based upon the value of the on-site use, provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive Bill Credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. The Project must be

reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer's service location; 2) the annualized On-Site Use over the period of service to the Residential Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location.

II. Interconnection Application, Selection, and Enrollment Process

2.1 Performance-Based Incentive ("PBI") Payments for Small-Scale Solar Projects

Applicants may elect to enroll in the RE Growth Program within their interconnection applications.

Residential

The PBI is a price per kilowatt-hour for all of the Renewable Energy Certificates ("RECs") and any other environmental attributes or market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program, less the value of Bill Credits for the energy and capacity value that is deemed to be used on site by the customer and must be deducted from the value listed in the Supplements.

Non-Residential

The PBI is a price per kilowatt-hour that will be paid for all of the energy, capacity, RECs, and other environmental attributes and market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

2.2 Interconnection Application Prior to Enrollment

To apply, a prospective participant must submit an application for interconnection and elect to participate in the RE Growth Program. All interconnection costs must be paid by the Applicant of the DG project.

For information regarding the interconnection process and the standards for the interconnection of generators in Rhode Island, please see:

ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

2.2.1 Site Control

The Applicant must show actual control of the site where the Small-Scale Solar Project is to be located or show it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive,

unconditional option to own or lease) the site (or residence in the case of a Residential Small-Scale Solar Project) on which the project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.2.2 Total Project Cost

Applications must include the estimated total project development costs. Applications that do not include the estimated total project development costs will be rejected. Total project development cost is defined as: “The total cost of the solar equipment, design, development, construction, interconnection, permitting, financing (if known), and labor necessary to install the solar PV project. This figure should not account for any tax incentives, grants, or other cash incentives. Additional costs, indirectly related to the solar project, such as roofing work, should not be included.”

2.2.3 Energy Storage Systems

Energy Storage Systems (“ESS”), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter. Please see the available “ESS Guidance Diagrams” available on the RE Growth Program webpage at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program

2.3 Issuance of Certificates of Eligibility

The Company shall award Certificates of Eligibility to the selected Small-Scale Solar Projects. The Company is not required to obtain Commission confirmation or approval in awarding Certificates of Eligibility to Small-Scale Solar Projects. Certificates of Eligibility given to Small-Scale Solar Projects are subject to the review and consent of the OER. The Company files a list of all awarded certificates with the Commission. Certificates of Eligibility will be awarded to eligible Small-Scale Solar Projects on a “first come, first served” basis until the annual MW target for the Small-Scale Solar class is fully subscribed.

The Certificate of Eligibility will contain applicable project information, including renewable technology and class, project capacity and energy output, term length, price, certificate issuance, and certificate effective dates.

2.4 Project Schedule

All Small-Scale Solar Projects have twenty-four (24) months to meet all other requirements pursuant to Section 6.a. of the Tariff in order to receive compensation under the RE Growth

Program. A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not become operational on or before the twenty-four (24) month deadline, the project's Certificate of Eligibility will be voided.

2.5 Ownership of Products for Small-Scale Solar

Residential

The Company shall have the rights to and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement; and
- (2) Rights to any other environmental attributes or electricity market services or products that are created or produced by the project.

For Residential Small-Scale Solar Projects, the customer shall retain title to all energy and capacity produced by the project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

Non-Residential

The Company shall have the rights and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement;
- (2) All energy produced by the project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.5.1 Delivery of RECs and Registration in NEPOOL GIS

The Applicant must take all steps to both enable the Company to obtain the appropriate asset identification for the creation of RECs and the assignment of RECs to the Company through the New England Power Pool Generator Information System ("NEPOOL GIS") in accordance with the Tariffs. RECs must be delivered to the Company in the NEPOOL GIS.

2.5.2 Delivery of Energy into ISO-NE Market (Non-Residential Projects Only)

Energy must be delivered to the Company in the ISO-NE Rhode Island load zone.

2.5.3 Participation in ISO-NE Forward Capacity Market (“FCM”)

Upon the Company’s election to acquire the capacity from a Project, the Company will assume the rights to the capacity, pursuant to the Tariff. The Company reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when the Company participates as Project Sponsor on behalf of any Project, the Applicant must support the Company, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5.4 Qualification of RECs

Small-Scale Solar Projects must qualify as an eligible renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (“RES”) and the Massachusetts Renewable Portfolio Standard (“RPS”). The Company will obtain such approvals on behalf of all Small-Scale Solar Projects. Applicants must cooperate with the Company, including but not limited to completing the Renewable Energy Certificate Assignment and Aggregation Certification Form, to obtain approval in order to be qualified under the RES and RPS.

3.1 Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients’ accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use once three (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and Last Resort Service rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

III. Contact Information and Other Provisions

3.1 Contact Information

All questions and communications regarding these Rules should be directed via electronic mail to The Narragansett Electric Company Environmental Transactions at the following address: RenewableContracts@nationalgrid.com.

3.2 Official Website for the Enrollment

The Solicitation and Enrollment Process Rules are posted on the Company's Rhode Island RE Growth Program website: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

Information about the interconnection process and all submission of Interconnection Applications must be submitted through this site as well.

3.3 Rhode Island State Licensing Requirement

Pursuant to Rhode Island General Laws Section 5-65-1, a registered contractor or firm with a contractor's registration shall perform the work associated with the installation of solar energy systems or equipment (i.e., racking systems, inground mounting or anchoring).

Renewable energy firms or their subcontractor or agent conducting installation work must hold a Rhode Island General Contractors License and provide their license registration number on the approved Solar Permit or building permit for the project as a condition of final approval to enroll.

3.4 Confidentiality

The Board, OER, and the Company shall enter into an agreement regarding the sharing of information and data related to the RE Growth Program, including application information, details regarding project ownership, and pricing. At the request of the Board, the OER, the Company, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.5 Facility Inspection by Independent Quality Inspector

All facilities shall be subject to inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection in reasonable time and with full access to the facility will be considered a potential cause for termination or suspension of PBI payments until cured.

3.6 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules is subject to the exclusive jurisdiction of the Commission. The Company may, at any time up to the issuance of Certificates of Eligibility (Section 2.3 above) and without any liability on the part of the Company, postpone, withdraw and/or cancel an enrollment; alter, extend, or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Small-Scale Solar Annual MW Target**

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)
Small-Scale Solar I – (15 Year Tariff)	6.95 MW DC
Small-Scale Solar II – (20 Year Tariff)	

Note: Schedule 1 will be updated as required for each enrollment year.

Schedule 2**Approved Small-Scale Solar Standard PBI Applicable to Current Program Year**

Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Small-Scale Solar I – (1-10 kW)	29.65	15 Year Tariff
Small-Scale Solar II (11-25 kW)	23.45	20 Year Tariff

Note: The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.



The Narragansett Electric Company ~~d/b/a National Grid~~

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Solar (Greater
than 25 kW), Wind, Hydro and Anaerobic Digester Projects**

Effective Date: ~~September~~April 1, 20220

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I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

~~National Grid~~The Narragansett Electric Company (the “Company”) developed the Renewable Energy Growth Program (“RE Growth Program”) pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development and compensation of distributed generation (“DG”) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Non-Residential Projects (“Rules”) provide the means by which an applicant (“Applicant”) can qualify and enroll a project (“Project”) in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Non-Residential RE Growth Program Tariff (“Tariff”). As described below, a Project enrolled in the RE Growth Program must supply ~~National Grid~~the Company with energy, capacity, Renewable Energy Certificates (“RECs”), and other environmental attributes and market products. Any term not defined in the Rules is defined in the Tariff.

These Rules will apply to all Projects that are not Small-Scale Solar Projects, subject to the eligibility provisions below. A Small-Scale Solar Project is a solar project having a nameplate capacity of up to and including twenty-five kilowatts (25 kW), and is subject to the rules for Small-Scale Solar Projects.

These Rules, along with the Tariff, will govern the eligibility and procedures for Projects in the RE Growth Program. ~~The Company~~ ~~National Grid~~ will not execute contracts with Applicants.

1.2 Enrollment Framework

~~National Grid~~The Company is operating the RE Growth Program, as guided by the Distributed Generation Board (“Board”) in consultation with the Rhode Island Office of Energy Resources (“OER”). The Program is subject to the approval of the Rhode Island Public Utilities Commission (“Commission”). ~~National Grid~~The Company may also consult with the Rhode Island Division of Public Utilities and Carriers (“Division”).

For each program year, there will be a target amount of megawatts to be enrolled for the year (“annual MW target”), and a target amount of megawatts for each enrollment event (“enrollment MW target”), both of which will be based on nameplate capacity. The nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (“DC”). The enrollment MW target will be a specific portion of the annual MW target.

For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (“class MW target”), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval. If there is an over-subscription in one class and an under-subscription in an enrollment MW target, then ~~the Company~~ ~~National Grid~~, ~~the~~ OER, and the

Board may mutually agree to allocate megawatts from one class to another without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

Annual MW targets are 40 MW per year from 2020 to 2029, with at least three megawatts (3 MW) of capacity to be carved out exclusively for small-scale solar projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW target for small-scale projects. Any cancelled or unused capacity from prior years may be added by the Board to the next program year.

A "program year" means a year beginning April 1 and ending March 31. Except for the first program year (2015), ~~National Grid~~ the Company is required, in consultation with the Board and ~~the~~ OER, to conduct at least three (3) tariff enrollments for each distributed generation class each program year. The classes and targets for each program year are listed in Schedule 1, which will be updated periodically, and Schedule 2 of this application.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives ("PBI"), as applicable, for each renewable energy class, subject to Commission approval. For all projects subject to these Solicitation and Enrollment Process Rules, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. See Schedule 2 for the approved Ceiling Prices for the current program year.

1.1.1 Applications

Each enrollment will be open for a two (2) week period. During the enrollment period, ~~the Company~~ National Grid will accept standard short-form applications. The standard application shall require the Applicant to provide the following information about the project: (1) the project ownership; (2) the location of the proposed project; (3) the nameplate capacity; and (4) the renewable energy class. The application allows Applicants to provide additional information relative to the permitting, financial feasibility, ability to build, and timing for achieving commercial operation of the proposed projects. The Applicant must certify in the application that the project will not violate the prohibition on project segmentation, as set forth in the Tariff.

Applicants will be selected for the RE Growth Program in accordance with the rules below.

1.1.2 Eligibility Requirements

1.1.2.1 Introduction

To be eligible, a Project must meet certain requirements, and ~~the Company~~ National Grid will review all applications to determine whether they meet these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.1.2.2 Eligible Applicant

An Applicant must be in good standing on its obligations to ~~the Company~~National Grid. Such obligations include but are not limited to meeting obligations under an Interconnection Service Agreement and being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.1.2.3 Eligible Facilities

To be eligible for an enrollment, a Project must: (1) be an eligible renewable energy resource under the RE Growth Program, as determined by the Board and approved by the Commission; (2) have a nameplate capacity equal to or less than five megawatts (5 MW); (3) interconnect with the distribution system of ~~tThe Narragansett Electric~~ Company; and (4) be located in The Narragansett Electric Company ISO-NE load zone.

Nameplate capacity is the maximum rated output or gross output of a generator; for solar technology it is the total rated power output of all panels measured in direct current ("DC").

To apply, a distributed generation project must not be: (1) already operating; (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost; or (3) fully financed for construction, except to the extent that financing agreements are conditioned upon the selection of the project in this program. A pre-existing hydroelectric generating facility that is already operating may be eligible for the RE Growth Program if it can demonstrate with reasonable evidence its need for a material investment to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements, in addition to meeting the other criteria of the RE Growth Program.

1.1.2.3.1 Renewable Energy Classes

For each program year, the Board shall determine the renewable energy classes, which are defined by specific technology, nameplate size, and other requirements as may be applicable as determined by the Board, subject to Commission approval. The Board may make recommendations to the Commission to add, eliminate, or adjust renewable energy classes for each program year. See Schedule 2 for the approved renewable energy classes for the applicable program year. To be eligible for an enrollment, a distributed generation project must qualify within one of the approved renewable energy classes for the applicable program year as indicated in Schedule 2.

1.1.2.3.2 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project

classifications. All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. ~~However,~~ A Project developer, ~~however,~~ may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A Project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the Project and the start of construction of new distributed generation unit(s) of the same resource technology on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resource technologies (e.g., a wind turbine and a solar array could both be eligible within the 24 month window). DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive Bill Credits under Option 2, as described in Section 8.c. of the Tariff. In addition, if the separate projects on a single parcel in aggregate would not be qualify the facilities as a larger class, then they will not be considered segmented, and would be allowed. For example, a developer proposes a 70 kW and an 80 kW on the same parcel; as 150 kW together, this would be the same class and ceiling price as the project are subject to individually.

1.1.2.3.3 Small Distributed Generation Projects

A small distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Small Wind	Small-Scale Solar	Medium-Scale Solar	Other Technology
50 kW - 1,500 kW	Up to and including 25 kW	Greater than 25 kW, up to and including 250 kW	TBD by the Board, up to 1 MW.

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment. Note that there is a separate solicitation and enrollment process rules for Small-Scale Solar projects.

1.1.2.3.4 Large Distributed Generation Projects

A large distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Commercial-Scale Solar	Large-Scale Solar	Large Wind	Other Technology
Greater than 250 kW, but less than 1 MW	1 MW, up to and including 5 MW	Greater than 1.5 MW, up to and including 5 MW	Greater than small DG, up to and including 5 MW

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment.

1.1.2.3.5 Energy Storage System Guidance

Energy Storage Systems (“ESS”), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth [Program](#) qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth [Program](#) production meter. When configured to charge directly from the RE Growth [Program](#) system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth [Program](#) production meter. Please see the available “ESS Guidance Diagrams” available on the RE Growth [Program](#) webpage at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

II. Application Evaluation and Selection Criteria and Process

2.1 Overview of Application Evaluation and Selection Process

Applications will be subject to a consistent, defined review and selection process. Projects submitting competitive bids in an enrollment period will be evaluated against other Projects in the same renewable energy class. The first stage of review determines whether a Project satisfies specified eligibility and minimum threshold requirements. ~~National Grid~~ [The Company](#) will conduct any additional evaluation as required, consistent with the requirements set forth above, and select eligible Applicants to move onto the next stage in the selection process. Subsequent to this selection, ~~National Grid~~ [the Company](#) will evaluate Projects based on certain threshold criteria, described below in sections 2.1.1-2.1.3, and then award selected projects Certificates of Eligibility as described in sections 2.1.4 and 2.1.5.

2.1.1 Interconnection Progress Prior to Enrollment

A Project must have made sufficient progress in the interconnection process prior to enrollment to ensure that interconnection costs have been estimated and the Project is likely to meet the statutory deadlines above. Project owners must have already submitted an application for interconnection and, if necessary, must have received a completed Impact Study for Renewable DG (“ISR DG”) from the Company. A copy of the interconnection application and a completed ISR DG, or valid Interconnection Service Agreement, must be enclosed along with an application for enrollment under this program. A valid Interconnection Service Agreement is one that has been signed by both the Applicant and ~~the Company~~ [National Grid](#). All interconnection costs, if

any, must be paid by the Applicant of the distributed generation ~~(DG)~~ project in accordance with the payment plan identified within the Interconnection Service Agreement. ~~However, a~~ distributed generation facility owner, ~~however,~~ may appeal to the Commission to reduce any required system upgrade costs to the extent such upgrades can be shown to benefit other customers of the electric distribution company and the balance of such costs shall be included in rates by the electric distribution company for recovery in the year incurred or the year following incurrence.

For information regarding ISRDG and the standards for the interconnection of generators in Rhode Island, please see: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

2.1.2 Site Control

The Applicant must show actual control of the site where the Project is to be located, or show that it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site on which the proposed project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.1.3 Application Completeness and Timeliness

Applicants must endeavor to complete the entire application and provide all reasonably available information in each section of the application. Applicants will not be allowed to modify their applications after they are submitted to the Company.

Applications must include the estimated total project development costs. Applications that do not include the estimated total project development costs will be rejected. ~~–~~Total project development cost is defined as: “The expected all-in project capital cost, which should include all hardware, balance of plant, design, construction, permitting, interconnection, metering, development (including developer fee), interest during construction, financing costs and reserves. This figure should not account for any tax incentives, grants, or other cash incentives, which will be accounted for separately. This figure should not include O&M expenses or replacement costs. All other upfront capital costs must be included.”

Applications must be timely submitted in accordance with the enrollment dates set forth in Schedule 5. Applications received after the deadline will not be accepted.

Following the submission of applications, ~~National Grid~~the Company may request additional information from Applicants at any time during the process. Applicants that do not respond to requests for information may be disqualified from an enrollment.

2.1.4 Competitive Bidding for Distributed Generation Projects

All distributed generation projects subject to these Solicitation and Enrollment Process Rules are subject to a bidding process to determine which Projects are selected for the RE Growth Program. Each Project is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Following eligibility and threshold evaluations, the price evaluation of the bids for that applicable Tariff supplement will be applied on a consistent basis such that the same approved term lengths for competing bids are used to determine the winning bids. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 2 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

If the Projects that bid the same price exceed the capacity specified for a renewable energy class target, [National Gridthe Company](#) will consult with the Board and the OER in selecting first those projects that appear to be the furthest along in development and that are most likely to be deployed. Those Projects that are likely to achieve commercial operations at the earliest time shall be selected first. The Company may also consult with the Board, the OER, and/or the Division during this further assessment.

2.1.5 Solar Carport Incentive Eligibility and Application

A Solar Carport Incentive is now offered for that portion of DG Project that qualifies for the adder. A Solar Carport is defined as “The portion of the direct current (DC) nameplate capacity of a Solar DG Project that is installed above a permeable and/or non-permeable existing or new parking area and associated access and walkway areas (as recognized by the local municipal building and/or zoning department), which is installed in a manner that maintains the function of the area beneath the structure, and is continued to be used or available for use for such purposes for the term of enrollment in this tariff.” Upon application, plans, one-line diagrams or other forms of identification of the amount of solar DC capacity that will be qualified as a Solar Carport must be submitted to [the CompanyNational Grid](#).

Application of the Solar Carport Incentive to the total Performance Based Incentive will occur after the competitive bidding process. Solar carport eligible projects should bid in the appropriate class and offer a price at or below the class ceiling price without including the adder. If the project wins an allocation of capacity in the enrollment process, [the CompanyNational Grid](#) will then calculate the Solar Carport Incentive for the project based on the portion of the project that qualifies as a Solar Carport, and the total project size. This ratio will then be multiplied by the Solar Carport Incentive Rate, listed on Schedule 2, and this will be added to the PBI for all of the output of the facility. This calculation is detailed in Section 8.b. of the RE Growth Non-Residential Tariff.

2.1.5.1 Open Enrollment Application

For the 2020 Program Year there are a total of 6.0 MW of Solar Carport Capacity Nameplate (kW DC) set aside for enrollment through all three Open Enrollments (limits of 2.0 MW for Commercial-Scale Solar and 4.0 MW for Large-Scale Solar). If a cap is met prior to the third open enrollment, the adder is no longer available for Solar Carport projects in that energy class. If there is Solar Carport Capacity remaining, of the 6.0 MW set aside, after the third enrollment, then ~~National Grid~~the Company, ~~the~~ OER, and the Board may mutually agree to allocate the remainder to its Commercial-Scale Solar or Large-Scale Solar energy class or another energy class without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

2.2 Issuance of Certificates of Eligibility

For small-scale and medium-scale solar projects, ~~the Company~~National Grid shall provide Certificates of Eligibility to the selected projects without obtaining Commission confirmation or approval, but subject to the review and consent of the OER. ~~National Grid~~The Company will file with the Commission a list of all small-scale solar Projects that are awarded Certificates of Eligibility. ~~National Grid~~The Company will award Certificates of Eligibility to eligible small-scale solar projects in accordance with the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects.

For medium-scale, commercial-scale and large-scale solar, and all other distributed generation projects, ~~National Grid~~the Company shall file with the Commission a list of the distributed generation projects selected together with the corresponding pricing information. The Commission shall issue an order listing those projects to which Certificates of Eligibility are awarded within sixty (60) days of receipt of the list.

The Certificate of Eligibility will contain applicable DG Facility information, including renewable technology and class, facility size and energy output, term length, price, certificate issuance and certificate effective dates.

2.3 Requirements to Initiate Payment for Output

If awarded a Certificate of Eligibility, a Project is required to meet specific requirements to maintain its status in the RE Growth Program prior to and during construction, and to initiate the start of the payments for its output. These requirements are set forth below.

2.3.1 Performance Guarantee Deposit

Except for small-scale solar and medium-scale solar projects, Applicants are required to pay a performance guarantee deposit to National Grid, which must be made by wire transfer. The performance guarantee deposit is determined, in part, on the quantity of renewable energy certificate estimated to be generated per year under the Program. The deposit is fifteen dollars (\$15.00) for each REC estimated to be generated per year by a Small Distributed Generation

project and twenty-five dollars (\$25.00) for each REC estimated to be generated per year by a Large Distributed Generation project. A performance guarantee deposit is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The deposit must be received and confirmed by ~~National Grid~~the Company within five (5) business days after a project is offered a Certificate of Eligibility. There are no exceptions to this requirement. Applicants should be prepared to make a deposit when submitting applications into any enrollment. If payment of the required performance guarantee deposit is not received by the date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment.

The Company will refund the performance guarantee deposit over the course of the first year of the project's operation, paid quarterly.

2.3.2 Project Schedule and Output Certification

A project must certify that it is capable of producing at least ninety percent (90%) of the output that was proposed in its enrollment application before its deadline. All projects will have a twenty-four (24) month deadline to meet this requirement, but anaerobic digestion projects will have thirty-six (36) months, and small-scale hydro will have forty-eight (48) months). A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not certify that it is capable of generating the output proposed in its enrollment application on or before the applicable deadline, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. Forfeited performance guarantee deposits shall be credited to all distribution customers through rates and not retained by ~~the Company~~National Grid. ~~The Company~~ National Grid will not refund the Performance Guarantee Deposit to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. and 3.g. of the Tariff (note: deadline may be extended by 6 months with no additional Performance Guarantee Deposit ("PGD") -and an additional 6 months beyond that by posting one-half original PGD for the second extension).

A DG Facility must provide an independent third-party (licensed PE) engineer's "Output Certification" stating:

1. that the DG Facility or project has been completed in all material respects;
 - a. including completion of construction of facility and all interconnection facilities necessary for operation;
 - b. applicable meters have been installed and tested (commissioned).
2. that the DG Facility or project is capable of producing at least 90% of the maximum hourly output proposed in the project application and specified on the *Certificate of Eligibility*;

3. the actual DC-rated nameplate capacity of the DG Facility or project as built and specified on the *Certificate of Eligibility*, and the amount of DC-rated nameplate capacity that is installed as-built that qualifies under the Solar Carport definition, if any; and the maximum hourly output in kWh/hour in Alternating Current (AC) of the facility as built and specified on the *Certificate of Eligibility*. Once a DG Project has provided the Output Certification to National Grid, the Project then has 90 days to meet all other requirements pursuant to Section 8.a. of the Tariff in order to receive payment.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a performance guarantee deposit. ~~However, a~~ After receiving a Certificate of Eligibility, ~~however,~~ a small-scale or medium-scale solar project has twenty-four (24) months to meet all other requirements pursuant to the Tariff in order to receive compensation under the RE Growth Program. If a Project does not meet this deadline, the Certificate of Eligibility will be voided.

2.3.3 Qualification as an Eligible Renewable Energy Resource under the Renewable Energy Standard~~ES~~

An Applicant to the RE Growth Program must obtain qualification for a Project as a renewable energy resource pursuant to the Rhode Island Renewable Energy Standard ("RES"). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at:
<http://www.ripuc.org/utilityinfo/res.html>.

In addition, the Applicant is required cooperate with the Company to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) ~~Renewable Energy Certificates (RECs)~~ generated by the Project during the applicable term of the Tariff supplement;
- (2) All energy produced by the Project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the Project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.4.1 Delivery of Energy into ISO-NE Market

Energy must be delivered to ~~National Grid~~ the Company in the ISO-NE Rhode Island load zone at the delivery node associated with the Project.

2.4.2 Delivery of RECs and Registration in NEPOOL GIS

Applicants must cooperate with and provide information to the Company to enable RECs to be created by the Project at the NEPOOL Generation Information System, and for such RECs to be transferred or assigned to the Company's appropriate NEPOOL GIS account, as governed by the Tariff.

2.4.3 Participation in ISO-NE Forward Capacity Market ("FCM")

Upon ~~National Grid's~~the Company's election to acquire the capacity from a Project, ~~National Grid~~the Company will assume the rights to the capacity, pursuant to the Tariff. ~~National Grid~~ reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when the Company ~~National Grid~~ participates as Project Sponsor on behalf of any Project, the Applicant must support ~~National Grid~~the Company, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5 Community Remote Distributed Generation

Community Remote Distributed Generation ("CRDG") enables customers who cannot or choose not to install renewable technologies at their service location to participate in the RE Growth Program.

Each CRDG class will have a distinct ceiling price as established by the Board, and each class shall be for resources that are larger than 250 kW (DC for solar, AC for other technologies) nameplate capacity. CRDG projects will compete against other CRDG projects in the same CRDG technology and size classes as set by the Board. Each two-week enrollment period will feature these classes as separate categories in which projects will be able to compete. The Company will select CRDG projects as it selects other projects in competitive classes on the basis of prices bid by project Applicants, and will offer a Certificate of Eligibility to successful Applicants under the same rules and processes as other classes. CRDG renewable energy classes, annual enrollment targets, and ceiling prices are listed on Schedules 1 and 3.

2.5.1 CRDG - Additional Application Materials and Provisions

CRDG Applicants must receive PBI payments in the form of cash and Bill Credits. No more than fifty percent (50%) of the output by kWh generated by the DG Project may be allocated to a single Bill Credit Recipient. At least 50% of the output must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system. Both of these conditions must be met within the operational timelines specified in the Tariff, and must be met prior to being allowed to operate in parallel. CRDG Applicants must submit a Customer Payment/Credit Transfer Form that notes the billing

accounts for Bill Credit Recipients and other required information. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules. CRDG Applicants must designate at least three (3) eligible Bill Credit Recipients. There is a minimum bill credit amount set for projects participating as CRDG facilities each year. The Minimum Bill Credit Amount will be calculated as 50% of the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. These are shown in the Non-Residential tariff supplements applicable to each program year.

Full Bill Credit Recipient criteria, the allocation of CRDG kWh generation to Bill Credit Recipients, the application of bill credits to customers on the A-60 rate, and the calculation of Bill Credits and cash payments are as set forth in Section 8.d. of the Tariff.

2.6 Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients' accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use once three (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must

allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and ~~standard offer supply~~ Last Resort Service rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

In no case will the annual allocated credits in kWh exceed the prior three (3) year annual average usage, less any reductions for verified energy efficiency measures installed at the customer premises, of the customer account to which the Bill Credits are transferred.

III. Contact Information and Other Provisions

3.1 Official Contact

All questions and communications regarding these Rules should be directed via electronic mail to ~~The Narragansett Electric Company~~ National Grid Environmental Transactions at the following address: RenewableContracts@nationalgrid.com.

3.2 Submittal of Enrollment Applications

The Solicitation and Enrollment Process Rules are posted on the ~~National Grid Company's~~ Rhode Island Renewable Energy Growth Program website: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

Applications must be submitted electronically via the website, during the two-week Open Enrollment set forth in Schedule 5. Applications received after the deadline cannot be accepted for that particular open enrollment but can be submitted in a future open enrollment solicitation.

3.3 Rhode Island State Licensing Requirement

Pursuant to ~~Rhode Island~~ General Laws ~~Section 5~~ 5-65-1, a registered contractor or firm with a contractor's registration shall perform the work associated with the installation of solar energy systems or equipment (i.e., racking systems, in-ground mounting or anchoring).

Renewable energy firms, or their subcontractor or agent conducting the installation, must hold a Rhode Island General Contractors registration and provide their registration number and Electrician license number as part of the interconnection application for the project as a condition of final approval to enroll.

3.4 Confidentiality

Each application shall contain the full name and business address of the Applicant, and a contact person, and shall be signed by an authorized person.

The Board, ~~the~~ OER, and ~~the Company~~ National Grid shall enter into an agreement regarding the sharing of the information and data related to the RE Growth Program, including such information as application information, details regarding project ownership, and pricing. At the request of the Board, ~~the~~ OER, ~~the Company~~ National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.5 Facility Inspection by Independent Quality Inspector

All facilities shall be subject to inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection in reasonable time and with full access to the facility will be considered a potential cause for termination or suspension of PBI payments until cured.

3.6 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules, is subject to the exclusive jurisdiction of the Commission. ~~The Company~~ National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.2 above) and without any liability on the part of ~~National Grid~~ the Company, postpone, withdraw and/or cancel this enrollment; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1

Approved Annual Enrollment Targets for Program Year 2019-2020

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)	Solar Carport Capacity Target (Nameplate MW)
Medium-Scale Solar	3 MW DC	
Commercial-Scale Solar	8.244 MW DC	2.0 MW DC ⁽¹⁾
Community Remote - Commercial Solar	3.0 MW DC	
Large Solar	18.294 MW DC	4.0 MW DC ⁽¹⁾
Community Remote - Large Solar	3 MW DC	
Community Remote and Non-Community Remote Wind	3.0 MW DC	
Anaerobic Digestion I	1.0 MW DC	
Anaerobic Digestion II		
Small-Scale Hydropower I		
Small-Scale Hydropower II		

⁽¹⁾ The Solar Carport Capacity Nameplate (kW DC) is set aside for enrollment through all three Open Enrollments. A Customer whose DG Project includes nameplate capacity that meets the definition as a Solar Carport will be eligible for the Solar Carport Incentive listed in Schedule 2. Solar carport eligible projects should bid in the appropriate class as specified in Section 2.1.5.

Note: Schedule 1 will be updated as required for each enrollment period.

Schedule 2

Approved Renewable Energy Classes and Ceiling Prices Applicable to Program Year 2020-2021

Renewable Energy Class (Nameplate kW)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	21.15	20
Commercial-Scale Solar (251-999 kW DC)	18.25	20
Large-Scale Solar (1,000-5,000 kW DC)	13.65	20
Wind (Up to 5,000 kW)	18.85	20
Anaerobic Digestion (1-5,000 kW)	15.35	20
Hydropower (1-5,000 kW)	21.45	20

Other Incentive Rates for Program Year 2020-21

Incentive Rate	(cents/kWh)	Term of Service (years)
Solar Carport Incentive	6.0	20

Schedule 3

**Community Remote Distributed Generation (“CRDG”) Approved Renewable Energy Classes
and Ceiling Prices Applicable to Program Year 2020-2021**

Renewable Energy Class (Nameplate kW)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
CRDG - Commercial Solar (251-999 kW DC)	20.99	20
CRDG - Large Solar (1,000-5,000 kW DC)	15.70	20
CRDG - Wind (1,000-5,000 kW DC)	21.05	20

Schedule 4**Anticipated Timeline**

Event	Anticipated Dates
Enrollment begins	
Due Date for Submission of Applications	
Notice of Selection	
File Results with RI PUC for approval	
RI PUC Approval (expected)	

The Narragansett Electric Company

Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects

Effective Date: September 1, 2022

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I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

The Narragansett Electric Company (the “Company”) developed the Renewable Energy Growth Program (“RE Growth Program”) pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development and compensation of distributed generation (“DG”) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Non-Residential Projects (“Rules”) provide the means by which an applicant (“Applicant”) can qualify and enroll a project (“Project”) in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Non-Residential RE Growth Program Tariff (“Tariff”). As described below, a Project enrolled in the RE Growth Program must supply the Company with energy, capacity, Renewable Energy Certificates (“RECs”), and other environmental attributes and market products. Any term not defined in the Rules is defined in the Tariff.

These Rules will apply to all Projects that are not Small-Scale Solar Projects, subject to the eligibility provisions below. A Small-Scale Solar Project is a solar project having a nameplate capacity of up to and including twenty-five kilowatts (25 kW), and is subject to the rules for Small-Scale Solar Projects.

These Rules, along with the Tariff, will govern the eligibility and procedures for Projects in the RE Growth Program. The Company will not execute contracts with Applicants.

1.2 Enrollment Framework

The Company is operating the RE Growth Program, as guided by the Distributed Generation Board (“Board”) in consultation with the Rhode Island Office of Energy Resources (“OER”). The Program is subject to the approval of the Rhode Island Public Utilities Commission (“Commission”). The Company may also consult with the Rhode Island Division of Public Utilities and Carriers (“Division”).

For each program year, there will be a target amount of megawatts to be enrolled for the year (“annual MW target”), and a target amount of megawatts for each enrollment event (“enrollment MW target”), both of which will be based on nameplate capacity. The nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (“DC”). The enrollment MW target will be a specific portion of the annual MW target.

For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (“class MW target”), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval. If there is an over-subscription in one class and an under-subscription in an enrollment MW target, then the Company, OER, and the Board may mutually

agree to allocate megawatts from one class to another without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

Annual MW targets are 40 MW per year from 2020 to 2029, with at least three megawatts (3 MW) of capacity to be carved out exclusively for small-scale solar projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW target for small-scale projects. Any cancelled or unused capacity from prior years may be added by the Board to the next program year.

A "program year" means a year beginning April 1 and ending March 31. Except for the first program year (2015), the Company is required, in consultation with the Board and OER, to conduct at least three (3) tariff enrollments for each distributed generation class each program year. The classes and targets for each program year are listed in Schedule 1, which will be updated periodically, and Schedule 2 of this application.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives ("PBI"), as applicable, for each renewable energy class, subject to Commission approval. For all projects subject to these Solicitation and Enrollment Process Rules, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. See Schedule 2 for the approved Ceiling Prices for the current program year.

1.1.1 Applications

Each enrollment will be open for a two (2) week period. During the enrollment period, the Company will accept standard short-form applications. The standard application shall require the Applicant to provide the following information about the project: (1) the project ownership; (2) the location of the proposed project; (3) the nameplate capacity; and (4) the renewable energy class. The application allows Applicants to provide additional information relative to the permitting, financial feasibility, ability to build, and timing for achieving commercial operation of the proposed projects. The Applicant must certify in the application that the project will not violate the prohibition on project segmentation, as set forth in the Tariff.

Applicants will be selected for the RE Growth Program in accordance with the rules below.

1.1.2 Eligibility Requirements

1.1.2.1 Introduction

To be eligible, a Project must meet certain requirements, and the Company will review all applications to determine whether they meet these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.1.2.2 Eligible Applicant

An Applicant must be in good standing on its obligations to the Company. Such obligations include but are not limited to meeting obligations under an Interconnection Service Agreement and being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.1.2.3 Eligible Facilities

To be eligible for an enrollment, a Project must: (1) be an eligible renewable energy resource under the RE Growth Program, as determined by the Board and approved by the Commission; (2) have a nameplate capacity equal to or less than five megawatts (5 MW); (3) interconnect with the distribution system of the Company; and (4) be located in The Narragansett Electric Company ISO-NE load zone.

Nameplate capacity is the maximum rated output or gross output of a generator; for solar technology it is the total rated power output of all panels measured in direct current ("DC").

To apply, a distributed generation project must not be: (1) already operating; (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost; or (3) fully financed for construction, except to the extent that financing agreements are conditioned upon the selection of the project in this program. A pre-existing hydroelectric generating facility that is already operating may be eligible for the RE Growth Program if it can demonstrate with reasonable evidence its need for a material investment to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements, in addition to meeting the other criteria of the RE Growth Program.

1.1.2.3.1 Renewable Energy Classes

For each program year, the Board shall determine the renewable energy classes, which are defined by specific technology, nameplate size, and other requirements as may be applicable as determined by the Board, subject to Commission approval. The Board may make recommendations to the Commission to add, eliminate, or adjust renewable energy classes for each program year. See Schedule 2 for the approved renewable energy classes for the applicable program year. To be eligible for an enrollment, a distributed generation project must qualify within one of the approved renewable energy classes for the applicable program year as indicated in Schedule 2.

1.1.2.3.2 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project

segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. A Project developer, however, may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A Project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the Project and the start of construction of new distributed generation unit(s) of the same resource technology on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resource technologies (e.g., a wind turbine and a solar array could both be eligible within the 24 month window). DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive Bill Credits under Option 2, as described in Section 8.c. of the Tariff. In addition, if the separate projects on a single parcel in aggregate would not be qualify the facilities as a larger class, then they will not be considered segmented, and would be allowed. For example, a developer proposes a 70 kW and an 80 kW on the same parcel; as 150 kW together, this would be the same class and ceiling price as the project are subject to individually.

1.1.2.3.3 Small Distributed Generation Projects

A small distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Small Wind	Small-Scale Solar	Medium-Scale Solar	Other Technology
50 kW - 1,500 kW	Up to and including 25 kW	Greater than 25 kW, up to and including 250 kW	TBD by the Board, up to 1 MW.

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment. Note that there is a separate solicitation and enrollment process rules for Small-Scale Solar projects.

1.1.2.3.4 Large Distributed Generation Projects

A large distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Commercial-Scale Solar	Large-Scale Solar	Large Wind	Other Technology
Greater than 250 kW, but less than 1 MW	1 MW, up to and including 5 MW	Greater than 1.5 MW, up to and including 5 MW	Greater than small DG, up to and including 5 MW

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment.

1.1.2.3.5 Energy Storage System Guidance

Energy Storage Systems (“ESS”), such as electro-chemical batteries, that can store and release electrical energy, may be co-located with RE Growth Program qualifying projects. When located behind-the-meter of a customer and able to charge from the electric power system, ESS must be configured in a manner that they cannot export through the RE Growth Program production meter. When configured to charge directly from the RE Growth Program system, ESS must be configured so that any energy used for back-up supply purposes is not measured by the RE Growth Program production meter. Please see the available “ESS Guidance Diagrams” available on the RE Growth Program webpage at: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

II. Application Evaluation and Selection Criteria and Process

2.1 Overview of Application Evaluation and Selection Process

Applications will be subject to a consistent, defined review and selection process. Projects submitting competitive bids in an enrollment period will be evaluated against other Projects in the same renewable energy class. The first stage of review determines whether a Project satisfies specified eligibility and minimum threshold requirements. The Company will conduct any additional evaluation as required, consistent with the requirements set forth above, and select eligible Applicants to move onto the next stage in the selection process. Subsequent to this selection, the Company will evaluate Projects based on certain threshold criteria, described below in sections 2.1.1-2.1.3, and then award selected projects Certificates of Eligibility as described in sections 2.1.4 and 2.1.5.

2.1.1 Interconnection Progress Prior to Enrollment

A Project must have made sufficient progress in the interconnection process prior to enrollment to ensure that interconnection costs have been estimated and the Project is likely to meet the statutory deadlines above. Project owners must have already submitted an application for interconnection and, if necessary, must have received a completed Impact Study for Renewable DG (“ISR DG”) from the Company. A copy of the interconnection application and a completed ISR DG, or valid Interconnection Service Agreement, must be enclosed along with an application for enrollment under this program. A valid Interconnection Service Agreement is one that has been signed by both the Applicant and the Company. All interconnection costs, if any, must be

paid by the Applicant of the distributed generation project in accordance with the payment plan identified within the Interconnection Service Agreement. A distributed generation facility owner, however, may appeal to the Commission to reduce any required system upgrade costs to the extent such upgrades can be shown to benefit other customers of the electric distribution company and the balance of such costs shall be included in rates by the electric distribution company for recovery in the year incurred or the year following incurrence.

For information regarding ISRDG and the standards for the interconnection of generators in Rhode Island, please see: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

2.1.2 Site Control

The Applicant must show actual control of the site where the Project is to be located or show that it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site on which the proposed project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.1.3 Application Completeness and Timeliness

Applicants must endeavor to complete the entire application and provide all reasonably available information in each section of the application. Applicants will not be allowed to modify their applications after they are submitted to the Company.

Applications must include the estimated total project development costs. Applications that do not include the estimated total project development costs will be rejected. Total project development cost is defined as: “The expected all-in project capital cost, which should include all hardware, balance of plant, design, construction, permitting, interconnection, metering, development (including developer fee), interest during construction, financing costs and reserves. This figure should not account for any tax incentives, grants, or other cash incentives, which will be accounted for separately. This figure should not include O&M expenses or replacement costs. All other upfront capital costs must be included.”

Applications must be timely submitted in accordance with the enrollment dates set forth in Schedule 5. Applications received after the deadline will not be accepted.

Following the submission of applications, the Company may request additional information from Applicants at any time during the process. Applicants that do not respond to requests for information may be disqualified from an enrollment.

2.1.4 Competitive Bidding for Distributed Generation Projects

All distributed generation projects subject to these Solicitation and Enrollment Process Rules are subject to a bidding process to determine which Projects are selected for the RE Growth

Program. Each Project is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Following eligibility and threshold evaluations, the price evaluation of the bids for that applicable Tariff supplement will be applied on a consistent basis such that the same approved term lengths for competing bids are used to determine the winning bids. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 2 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

If the Projects that bid the same price exceed the capacity specified for a renewable energy class target, the Company will consult with the Board and the OER in selecting first those projects that appear to be the furthest along in development and that are most likely to be deployed. Those Projects that are likely to achieve commercial operations at the earliest time shall be selected first. The Company may also consult with the Board, the OER, and/or the Division during this further assessment.

2.1.5 Solar Carport Incentive Eligibility and Application

A Solar Carport Incentive is now offered for that portion of DG Project that qualifies for the adder. A Solar Carport is defined as “The portion of the direct current (DC) nameplate capacity of a Solar DG Project that is installed above a permeable and/or non-permeable existing or new parking area and associated access and walkway areas (as recognized by the local municipal building and/or zoning department), which is installed in a manner that maintains the function of the area beneath the structure, and is continued to be used or available for use for such purposes for the term of enrollment in this tariff.” Upon application, plans, one-line diagrams or other forms of identification of the amount of solar DC capacity that will be qualified as a Solar Carport must be submitted to the Company.

Application of the Solar Carport Incentive to the total Performance Based Incentive will occur after the competitive bidding process. Solar carport eligible projects should bid in the appropriate class and offer a price at or below the class ceiling price without including the adder. If the project wins an allocation of capacity in the enrollment process, the Company will then calculate the Solar Carport Incentive for the project based on the portion of the project that qualifies as a Solar Carport, and the total project size. This ratio will then be multiplied by the Solar Carport Incentive Rate, listed on Schedule 2, and this will be added to the PBI for all of the output of the facility. This calculation is detailed in Section 8.b. of the RE Growth Non-Residential Tariff.

2.1.5.1 Open Enrollment Application

For the 2020 Program Year there are a total of 6.0 MW of Solar Carport Capacity Nameplate (kW DC) set aside for enrollment through all three Open Enrollments (limits of 2.0 MW for Commercial-Scale Solar and 4.0 MW for Large-Scale Solar). If a cap is met prior to the third open enrollment, the adder is no longer available for Solar Carport projects in that energy class. If there is Solar Carport Capacity remaining, of the 6.0 MW set aside, after the third enrollment, then the Company, OER, and the Board may mutually agree to allocate the remainder to its Commercial-Scale Solar or Large-Scale Solar energy class or another energy class without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

2.2 Issuance of Certificates of Eligibility

For small-scale and medium-scale solar projects, the Company shall provide Certificates of Eligibility to the selected projects without obtaining Commission confirmation or approval, but subject to the review and consent of the OER. The Company will file with the Commission a list of all small-scale solar Projects that are awarded Certificates of Eligibility. The Company will award Certificates of Eligibility to eligible small-scale solar projects in accordance with the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects.

For medium-scale, commercial-scale and large-scale solar, and all other distributed generation projects, the Company shall file with the Commission a list of the distributed generation projects selected together with the corresponding pricing information. The Commission shall issue an order listing those projects to which Certificates of Eligibility are awarded within sixty (60) days of receipt of the list.

The Certificate of Eligibility will contain applicable DG Facility information, including renewable technology and class, facility size and energy output, term length, price, certificate issuance and certificate effective dates.

2.3 Requirements to Initiate Payment for Output

If awarded a Certificate of Eligibility, a Project is required to meet specific requirements to maintain its status in the RE Growth Program prior to and during construction, and to initiate the start of the payments for its output. These requirements are set forth below.

2.3.1 Performance Guarantee Deposit

Except for small-scale solar and medium-scale solar projects, Applicants are required to pay a performance guarantee deposit to National Grid, which must be made by wire transfer. The performance guarantee deposit is determined, in part, on the quantity of renewable energy certificate estimated to be generated per year under the Program. The deposit is fifteen dollars (\$15.00) for each REC estimated to be generated per year by a Small Distributed Generation project and twenty-five dollars (\$25.00) for each REC estimated to be generated per year by a

Large Distributed Generation project. A performance guarantee deposit is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The deposit must be received and confirmed by the Company within five (5) business days after a project is offered a Certificate of Eligibility. There are no exceptions to this requirement.

Applicants should be prepared to make a deposit when submitting applications into any enrollment. If payment of the required performance guarantee deposit is not received by the date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment.

The Company will refund the performance guarantee deposit over the course of the first year of the project's operation, paid quarterly.

2.3.2 Project Schedule and Output Certification

A project must certify that it is capable of producing at least ninety percent (90%) of the output that was proposed in its enrollment application before its deadline. All projects will have a twenty-four (24) month deadline to meet this requirement, but anaerobic digestion projects will have thirty-six (36) months, and small-scale hydro will have forty-eight (48) months). A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not certify that it is capable of generating the output proposed in its enrollment application on or before the applicable deadline, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. Forfeited performance guarantee deposits shall be credited to all distribution customers through rates and not retained by the Company. The Company will not refund the Performance Guarantee Deposit to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. and 3.g. of the Tariff (note: deadline may be extended by 6 months with no additional Performance Guarantee Deposit ("PGD") and an additional 6 months beyond that by posting one-half original PGD for the second extension).

A DG Facility must provide an independent third-party (licensed PE) engineer's "Output Certification" stating:

1. that the DG Facility or project has been completed in all material respects;
 - a. including completion of construction of facility and all interconnection facilities necessary for operation;
 - b. applicable meters have been installed and tested (commissioned).
2. that the DG Facility or project is capable of producing at least 90% of the maximum hourly output proposed in the project application and specified on the *Certificate of Eligibility*;
3. the actual DC-rated nameplate capacity of the DG Facility or project as built and specified on the *Certificate of Eligibility*, and the amount of DC-rated nameplate capacity that is installed as-built that qualifies under the Solar Carport definition, if any; and

the maximum hourly output in kWh/hour in Alternating Current (AC) of the facility as built and specified on the *Certificate of Eligibility*. Once a DG Project has provided the Output Certification to National Grid, the Project then has 90 days to meet all other requirements pursuant to Section 8.a. of the Tariff in order to receive payment.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a performance guarantee deposit. After receiving a Certificate of Eligibility, however, a small-scale or medium-scale solar project has twenty-four (24) months to meet all other requirements pursuant to the Tariff in order to receive compensation under the RE Growth Program. If a Project does not meet this deadline, the Certificate of Eligibility will be voided.

2.3.3 Qualification as an Eligible Renewable Energy Resource under the Renewable Energy Standard

An Applicant to the RE Growth Program must obtain qualification for a Project as a renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (“RES”). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at: <http://www.ripuc.org/utilityinfo/res.html>.

In addition, the Applicant is required cooperate with the Company to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) RECs generated by the Project during the applicable term of the Tariff supplement;
- (2) All energy produced by the Project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the Project; provided, however, that it shall be the Company’s choice to acquire the capacity of the DG Project.

2.4.1 Delivery of Energy into ISO-NE Market

Energy must be delivered to the Company in the ISO-NE Rhode Island load zone at the delivery node associated with the Project.

2.4.2 Delivery of RECs and Registration in NEPOOL GIS

Applicants must cooperate with and provide information to the Company to enable RECs to be created by the Project at the NEPOOL Generation Information System, and for such RECs to be transferred or assigned to the Company's appropriate NEPOOL GIS account, as governed by the Tariff.

2.4.3 Participation in ISO-NE Forward Capacity Market ("FCM")

Upon the Company's election to acquire the capacity from a Project, the Company will assume the rights to the capacity, pursuant to the Tariff. reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when the Company participates as Project Sponsor on behalf of any Project, the Applicant must support the Company, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5 Community Remote Distributed Generation

Community Remote Distributed Generation ("CRDG") enables customers who cannot or choose not to install renewable technologies at their service location to participate in the RE Growth Program.

Each CRDG class will have a distinct ceiling price as established by the Board, and each class shall be for resources that are larger than 250 kW (DC for solar, AC for other technologies) nameplate capacity. CRDG projects will compete against other CRDG projects in the same CRDG technology and size classes as set by the Board. Each two-week enrollment period will feature these classes as separate categories in which projects will be able to compete. The Company will select CRDG projects as it selects other projects in competitive classes on the basis of prices bid by project Applicants and will offer a Certificate of Eligibility to successful Applicants under the same rules and processes as other classes. CRDG renewable energy classes, annual enrollment targets, and ceiling prices are listed on Schedules 1 and 3.

2.5.1 CRDG - Additional Application Materials and Provisions

CRDG Applicants must receive PBI payments in the form of cash and Bill Credits. No more than fifty percent (50%) of the output by kWh generated by the DG Project may be allocated to a single Bill Credit Recipient. At least 50% of the output must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system. Both of these conditions must be met within the operational timelines specified in the Tariff and must be met prior to being allowed to operate in parallel. CRDG Applicants must submit a Customer Payment/Credit Transfer Form that notes the billing accounts for Bill Credit Recipients and other required information. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules. CRDG Applicants must designate at least three (3) eligible Bill Credit Recipients. There is a minimum bill credit amount set for projects participating as CRDG facilities each year. The Minimum Bill Credit Amount will

be calculated as 50% of the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. These are shown in the Non-Residential tariff supplements applicable to each program year.

Full Bill Credit Recipient criteria, the allocation of CRDG kWh generation to Bill Credit Recipients, the application of bill credits to customers on the A-60 rate, and the calculation of Bill Credits and cash payments are as set forth in Section 8.d. of the Tariff.

2.6 Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients' accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use once three (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as

the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and Last Resort Service rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

In no case will the annual allocated credits in kWh exceed the prior three (3) year annual average usage, less any reductions for verified energy efficiency measures installed at the customer premises, of the customer account to which the Bill Credits are transferred.

III. Contact Information and Other Provisions

3.1 Official Contact

All questions and communications regarding these Rules should be directed via electronic mail to The Narragansett Electric Company Environmental Transactions at the following address: RenewableContracts@nationalgrid.com.

3.2 Submittal of Enrollment Applications

The Solicitation and Enrollment Process Rules are posted on the Company's Rhode Island Renewable Energy Growth Program website: ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program.

Applications must be submitted electronically via the website, during the two-week Open Enrollment set forth in Schedule 5. Applications received after the deadline cannot be accepted for that particular open enrollment but can be submitted in a future open enrollment solicitation.

3.3 Rhode Island State Licensing Requirement

Pursuant to Rhode Island General Laws Section 5-65-1, a registered contractor or firm with a contractor's registration shall perform the work associated with the installation of solar energy systems or equipment (i.e., racking systems, in-ground mounting or anchoring).

Renewable energy firms, or their subcontractor or agent conducting the installation, must hold a Rhode Island General Contractors registration and provide their registration number and Electrician license number as part of the interconnection application for the project as a condition of final approval to enroll.

3.4 Confidentiality

Each application shall contain the full name and business address of the Applicant, and a contact person, and shall be signed by an authorized person.

The Board, OER, and the Company shall enter into an agreement regarding the sharing of the information and data related to the RE Growth Program, including such information as application information, details regarding project ownership, and pricing. At the request of the Board, OER, the Company, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.5 Facility Inspection by Independent Quality Inspector

All facilities shall be subject to inspection for quality and quantity assurance by the Rhode Island Office of Energy Resources, or its duly contracted agents, at the request of the Rhode Island Office of Energy Resources or its agent. Failure to allow such inspection in reasonable time and with full access to the facility will be considered a potential cause for termination or suspension of PBI payments until cured.

3.6 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules, is subject to the exclusive jurisdiction of the Commission. The Company may, at any time up to the issuance of Certificates of Eligibility (Section 2.2 above) and without any liability on the part of the Company, postpone, withdraw and/or cancel this enrollment; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Annual Enrollment Targets for Program Year 2019-2020**

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)	Solar Carport Capacity Target (Nameplate MW)
Medium-Scale Solar	3 MW DC	
Commercial-Scale Solar	8.244 MW DC	2.0 MW DC ⁽¹⁾
Community Remote - Commercial Solar	3.0 MW DC	
Large Solar	18.294 MW DC	4.0 MW DC ⁽¹⁾
Community Remote - Large Solar	3 MW DC	
Community Remote and Non-Community Remote Wind	3.0 MW DC	
Anaerobic Digestion I	1.0 MW DC	
Anaerobic Digestion II		
Small-Scale Hydropower I		
Small-Scale Hydropower II		

⁽¹⁾ The Solar Carport Capacity Nameplate (kW DC) is set aside for enrollment through all three Open Enrollments. A Customer whose DG Project includes nameplate capacity that meets the definition as a Solar Carport will be eligible for the Solar Carport Incentive listed in Schedule 2. Solar carport eligible projects should bid in the appropriate class as specified in Section 2.1.5.

Note: Schedule 1 will be updated as required for each enrollment period.

Schedule 2

Approved Renewable Energy Classes and Ceiling Prices Applicable to Program Year 2020-2021

Renewable Energy Class (Nameplate kW)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	21.15	20
Commercial-Scale Solar (251-999 kW DC)	18.25	20
Large-Scale Solar (1,000-5,000 kW DC)	13.65	20
Wind (Up to 5,000 kW)	18.85	20
Anaerobic Digestion (1-5,000 kW)	15.35	20
Hydropower (1-5,000 kW)	21.45	20

Other Incentive Rates for Program Year 2020-21

Incentive Rate	(cents/kWh)	Term of Service (years)
Solar Carport Incentive	6.0	20

Schedule 3

**Community Remote Distributed Generation (“CRDG”) Approved Renewable Energy Classes
and Ceiling Prices Applicable to Program Year 2020-2021**

Renewable Energy Class (Nameplate kW)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
CRDG - Commercial Solar (251-999 kW DC)	20.99	20
CRDG - Large Solar (1,000-5,000 kW DC)	15.70	20
CRDG - Wind (1,000-5,000 kW DC)	21.05	20

Schedule 4

Anticipated Timeline

Event	Anticipated Dates
Enrollment begins	
Due Date for Submission of Applications	
Notice of Selection	
File Results with RI PUC for approval	
RI PUC Approval (expected)	

THE NARRAGANSETT ELECTRIC COMPANY

d/b/a NATIONAL GRID RHODE ISLAND ENERGY

Rhode Island Public Utilities Commission Tariff

RIPUC NGRIE-GAS No. 101

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID RHODE ISLAND ENERGY
RIPUC NGRIE-GAS No. 101

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GENERAL TERMS AND CONDITIONS**1.0 APPLICABILITY:**

The following terms and conditions shall apply to and be a part of each Rate Classification now or hereafter in effect except as they may be expressly modified or superseded by Rhode Island Public Utilities Commission order.

2.0 RATES AND TARIFFS:

The Company furnishes natural gas service under rates and/or special contracts (Schedule of Rates) promulgated in accordance with the provisions of the Rhode Island General Laws and the regulations of the Rhode Island Public Utilities Commission (“PUC”) and the Rhode Island Division of Public Utilities and Carriers (“Division”), all as may be in effect from time to time. Such Schedule of Rates, which includes these Terms and Conditions, is available for public inspection during normal business hours at the administrative offices of the Company and at the offices of the PUC and the Division or on the Company’s website.

The Schedule of Rates may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in the General Laws and the PUC regulations. When effective, all such revisions, amendments, supplements or replacements will appropriately supersede the present Schedule of Rates. In case of conflict between these Terms and Conditions and any orders or regulations of the PUC or the Division, said orders or regulations shall govern.

The provisions of these Terms and Conditions apply on a non-discriminatory and non-preferential basis to all persons, partnerships, corporations or others (hereinafter Customers or the Customer) who obtain natural gas distribution service from the Company pursuant to the Schedule of Rates.

No representative of the Company has the authority to modify orally any provision or rate contained in the Schedule of Rates or to bind the Company to any promise or representation contrary thereto. Any such modification to the Schedule of Rates or these Terms and Conditions shall be in writing and made in accordance with the provisions of the General Laws and pursuant to regulations of the PUC and Division.

The Company will advise all new residential customers as to the least expensive rate available for the service based on the information in our records. Non-residential customers will be advised of the applicable rate based on a review of the available information in the existing records or as a result of a field inspection by the Company when the customer provides information which is inconsistent with Company records. The Customer is responsible for accurately describing its gas burning equipment and updating the Company as changes occur.

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A Customer is entitled to change its customer account from one rate classification to another upon written application to the Company; provided, however that the customer account's use complies with the conditions specified in the requested rate classification. Once an election to change rate classifications has been made by the Customer, the customer account must remain on that rate for a period of not less than twelve months. In cases where the Customer requests a rate reclassification, no rebate will be granted for service rendered during the period the customer account was served under the previous rate classification, except in instances where the previous rate classification was due to an error by the Company.

3.0 OBTAINING SERVICE FROM THE COMPANY:

The Company shall furnish service to applicants under the filed rates and in accordance with these Terms and Conditions and the rules and regulations of the PUC and the Division. The furnishing of service and acceptance by the Customer constitutes a contract under these provisions. The Company may require at least one person on behalf of all parties who will receive service to sign an application or contract. Application for gas service within the territory served by the Company will be received through any duly authorized representative of the Company. By accepting distribution service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company's behalf, contacting the Customer regarding issues related to distribution service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text messages, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.

The Company may accept oral or written application for residential service. Residential service may commence upon receipt by the Company of oral application, except that the Company reserves the right to require residential customers to show identification and proof of residency before commencing service. If residential service is commenced upon the receipt of oral application, then all residents at that address who have attained the age of majority may choose to execute a written application, thereby becoming parties to the contract. Non-residential service may commence upon oral application for an interim period pending the receipt of a duly executed written application and security deposit.

The Company reserves the right to refuse service, at any location, to an individual who is indebted to the Company for any service not in dispute before the Division, furnished to such individual at any location, or to such applicant or customer under another name. The Company will commence service if a reasonable payment plan for said indebtedness made in accordance with PUC and Division regulations is agreed to by the Customer and the Company. The Company reserves the right to refuse service to any non-residential applicant who has not paid a deposit as required by the Company.

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A Customer shall be and remains the customer of record and shall be liable for service taken until such time as the Customer requests termination of service and a final meter reading is recorded by the Company. The bill rendered by the Company based on such final meter reading shall be payable upon receipt. Such meter reading and final bill shall not be unduly delayed by the Company. In the event that the Customer of record fails to give notice of termination of service to the Company or fails to provide access to the meter, the customer of record shall continue to be liable for service taken until the Company either disconnects the meter or a new party becomes a customer of the Company by taking service at such service location. Failure to make application for service shall not relieve a party from the obligation to apply and/or pay for service previously used.

The Company shall undertake to furnish service to the Customer for use only for his/her own purposes and only on the premises occupied through ownership or lease by the Customer, except as provided below. In cases where the Customer is a condominium association or the owner or manager of a commercial or residential rental property with over six (6) units, the Customer may allocate the Company charges for gas service to other gas users on the premises through any reasonable means, including properly installed submetering. In such situations where the Customer is allocating the Company charges for service to others, the burden is on the Customer, when requested by the Company, to demonstrate that the allocated charges are no greater than the Customer's bill from the Company. When allocating such charges, the Customer may separately include reasonable administrative fees. Natural gas sold by the Company to authorized natural gas vehicle filling stations may be re-metered or submetered by the Customer for resale to another or others.

On an annual basis the Company may notify all customers that if they are the owners of property and their tenants move out, the owner must provide written notification in advance that he/she wants gas left on at that premises in his/her name. If the Company does not receive advance written notice, the service may be terminated, and the Company will not be liable for any damages to the premises resulting from the termination of gas service.

3.1 BILLING TERMINATION ("Soft-Off"):

Where a customer has requested termination of service and an estimated or actual final meter reading is recorded, and the account is not subject to a shut-off order or request, the Company may choose to utilize a Soft-Off termination.

In the event of a termination of an account for which there is no unbilled consumption, a landlord may initiate an application for service in the landlord's name at that premises by either oral or written request in accordance with Section 1, Schedule A, Paragraph 3.0 of this tariff; provided however, that in the event of a termination of an account for which there is

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any unbilled consumption, a landlord may initiate an application for service in the landlord's name only upon providing the Company with a signed authorization. In addition, where the landlord has previously provided the Company a signed agreement, the Company may record the landlord as the customer of record for that account without further authorization.

When gas consumption at a premises where a Soft Off termination has been implemented exceeds 13 ccf in a month the Company will send a notification to the premises indicating that service will be terminated pursuant to the PUC's and Division's rules and regulations governing the termination of service if an account is not established.

Once metered gas consumption at that premises exceeds an aggregate of 35 ccf or the account is still in a Soft-Off status for a consecutive period of 90 days, whichever occurs first, the Company will commence a termination action for the account, provided however that where such a termination action would affect the statutory and/or termination rights of other gas customers at that location, service will be terminated at the Soft Off premises as soon as the Company is able to accomplish the termination so as not to conflict with the rights provided under the PUC's and the Division's rules and regulations governing the termination of service for the other customers.

4.0 SECURITY DEPOSITS:

Security deposits, letters of credit or bonds may be required and taken in accordance with rules and procedures promulgated by the PUC or other body having authority to regulate the Company. The Company reserves the right to refuse service to an applicant who has not paid a deposit as required by the Company. The rate of interest paid on deposits shall be adjusted annually on March 1. The interest rate in effect in any year shall be based on the average rate over the prior calendar year for 10-year constant maturity Treasury Bonds as reported by the Federal Reserve Board.

5.0 SERVICE SUPPLIED:

The Company shall take reasonable care in providing regular and uninterrupted service to its firm customers, but whenever the Company deems that the situation warrants any interruption or limitation in the service to be rendered, such interruption or limitation shall not constitute a breach of the contract, and shall not render the Company liable for any damages suffered thereby by any person, or excuse the customer from further fulfillment of the contract.

The Company may refuse to supply service to loads of unusual characteristics which, in its sole judgment, might adversely affect the quality of service supplied to other customers, the public safety, or the safety of the Company's personnel. In lieu of such refusal, the Company

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may require a customer to install any necessary regulating and protective equipment in accordance with the requirements and specifications of the Company.

Whenever the estimated expenditures necessary to supply gas to a customer(s) or to resume service to a customer following relocation of Company equipment for reasons other than the needs of the Company shall be of such an amount that the income to be derived from gas service at the applicable rates will, in the opinion of the Company, be insufficient to warrant such expenditure, the Company will require the Customer(s) to pay a Contribution in Aid of Construction (“CIAC”) for meter relocation or for main and service extension. See Section 8, Service and Main Extension Policies. The level of the CIAC will be based on an economic analysis looking at appropriate impacts associated with the capital expenditures. A detailed written cost estimate will be provided to the Customer upon request.

The Company shall make application in a reasonable time for any necessary locations or other street permits required by public bodies for its pipes, mains, and other apparatus, and shall not be required to supply service until a reasonable time after such approvals are obtained. The applicant for service shall obtain all other permits, certificates, licenses, easements and the like necessary to give the Company access to the applicant’s equipment and to enable its pipes to be connected thereto.

The Customer shall notify the Company in writing before making any significant change in the Customer’s gas equipment which would affect the capacity or other characteristics of the Company’s facilities required to serve the Customer. The Customer shall be liable for any damage to the Company’s property caused by Customer’s additional or changed installation if made without prior notification to the Company.

All piping, equipment, and apparatus on the premises of the Customer, except meters, underground service pipe, and governors, shall be furnished and put in place by the Customer, and shall conform to the requirements and regulations of the Company, and the Company shall not be required to supply gas unless such piping, equipment, and apparatus at all times conform to the requirements and regulations of the State, City, and Town ordinances and laws and policies of the Company. The Company shall be under no obligation to make any inspection to ascertain whether the foregoing condition has been conformed with and shall be under no liability for any damages occasioned by any defect in such piping, equipment, or apparatus or other property on the premises.

If temporary service is rendered, the Customer shall pay the cost of service under the rate plus the cost of installing and removing all equipment and connections.

GENERAL TERMS AND CONDITIONS**6.0 INSTALLATION OF METERS:**

The Company will furnish, install, connect, and maintain such meter(s) as are necessary for metering gas service for Company billing purposes.

All gas service to be provided under a single service classification to a customer in a building will be rendered through a single meter except in the instances described in (1) and (2) below:

- (1) The Company may elect to install more than one meter for gas service provided under a single service classification:
 - i. when the use of more than one meter is necessary to provide safe gas service;
 - ii. when the use of more than one meter is required by a municipal ordinance;
 - iii. when one meter cannot correctly measure the total gas service rendered;
 - iv. when the characteristics of gas service of the Customer are such that at the time the service line was installed there was no single meter commercially available to measure the gas service correctly;
 - v. when more than one meter is required in order to render proper and reliable gas service without interruption; or
 - vi. in other comparable circumstances where service cannot practically be rendered through a single meter.

Pursuant to (i) through (vi), when more than one meter is installed to measure the gas service of a single customer at a premise or building under a single service classification under the above listed circumstances, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter.

- (2) At the Customer's written request and at the Customer's expense, the Company will install more than one meter for a building or premise under a single service classification, in which case the quantity of gas supplied through each meter will be measured separately and the bills for each computed separately under the appropriate service classification(s).

Gas service provided to commercial and industrial customers for use by emergency

GENERAL TERMS AND CONDITIONS

back-up natural gas generators of more than 12 kW shall be separately metered subject to the Company's technical determination that more than one meter is required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for emergency back-up natural gas generators to be measured by the Customer's existing meter.

For residential gas services provided pursuant to prior tariff provisions that required that gas service for use by emergency back-up natural gas generators be separately metered and billed, when both meters are served under a single residential service classification, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter. Should a residential customer request the removal of one of the meters, the Customer shall bear the cost of removing the meter and the cost of piping through the remaining meter. If the Company, at its sole discretion, decides to remove the additional meter, the Company will bear the cost of the removal of the meter and any piping cost.

7.0 BILLING AND READING OF METERS:

Bills are calculated and rendered on the basis of a customer account which shall have a unique identification number established for the billing of service provided through an individual meter, except for multiple metered customer accounts established pursuant to section (1) of Item 6.0 above, or aggregation pools established pursuant to the Company's Transportation Terms and Conditions, Section 6, Schedule C of the tariff. A single Customer may have more than one customer account.

All bills are due within 25 days from the date of the bill. A late payment charge shall accrue on non-residential bills after 25 days in accordance with regulations of the PUC and the Division.

Customers receiving bills may elect to receive their bill electronically. Customers electing to receive their bills electronically will receive a paperless billing credit as identified in Section 1, Schedule A, Item 12.0.

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, the Customer shall be charged a returned check fee, as identified in Item 12.0, per check or draft written. Such returned check charge shall be waived for customers receiving gas service on low income rate classes Rate 11 and Rate 13.

GENERAL TERMS AND CONDITIONS

The Customer shall be responsible for all charges for distribution and gas service furnished by the Company under the applicable rates as filed from time to time with the PUC, from the time service is commenced until it is terminated.

Annually in August, the Company will review the gas consumption of each non-residential firm customer account for the just ended September through August period to determine if any customer account qualifies for a different rate class. If any such customer account does qualify for a different rate class based on this billing information, then commencing with the September billing month, that customer account will be billed under that new rate class.

Properly authorized representatives of the Company shall have the right to access the Customer's premises at all reasonable times and intervals for the purpose of reading, installing, examining, repairing, replacing, or removing the Company's meters, meter reading devices, pipes, and other gas equipment and appliances, in accordance with the General Laws, public regulations, and Company policy in effect from time to time. The Customer shall be responsible for providing accessibility to the above metering and other equipment belonging to the Company.

Readings taken by an Automated Meter Reading ("AMR") technology will be considered actual readings for billing purposes.

The Company shall maintain the accuracy of all metering equipment installed pursuant hereto by regular testing and calibration in comparison to recognized standards and in accordance with PUC and Division regulations. A meter shall be deemed to be registering correctly if it appears from examination or test that it does not vary more than two percent (2%) from the standard approved by the Division.

In the event that the Company obtains inaccurate meter readings for any reason or in case any meter shall for any reason fail to register the full amount of gas supplied or the maximum demand of any customer account for any period of time, the amount of the bill of such customer account shall be estimated by the Company from available data. Such estimated bills shall be payable as rendered unless a customer disputes such estimate in accordance with procedures established by the Division.

The Company will notify the Customer whenever it obtains information indicating that gas is being diverted from the Customer's service or that the meter has been tampered with. The Customer will be held responsible to the Company for any leakage or other use of gas which may occur beyond the point of the meter installation.

GENERAL TERMS AND CONDITIONS

Unless otherwise determined by the Company, all residential premises shall be equipped with a meter that employs AMR technology utilizing radio frequency transmitters to allow the Company to obtain meter readings remotely. However, residential customers may choose to “opt-out” by having their AMR meter replaced with a non-AMR meter.

Customers who choose to opt-out will be charged an initial fee, as identified in Item 12.0, for the removal of the existing AMR gas meter and the installation of the non-AMR gas meter.

Customers who choose to opt-out will also be charged a monthly meter reading fee for the non-AMR gas meter, as identified in Item 12.0. The meter reading fee is applicable to Customers who receive gas and electric service, or receive gas-only service, from the Company. The Company, at its option, may choose to read the non-AMR meter less frequently than once per month. In that case, or if the Company is unable for any reason to read the meter on the regularly scheduled monthly read date, the Company shall make a reasonable estimate of the consumption of gas during those months when the meter is not read, based on available data, and such estimated bills shall be payable as rendered.

A Customer will not be assessed the initial or monthly fee until after the Company has installed the non-AMR gas meter.

Any opt-out Customer who subsequently wishes to have an AMR gas meter re-installed will be charged a “re-installation fee” as identified in Item 12.0. The re-installation fee will be charged for the removal of the non-AMR gas meter and the installation of the AMR gas meter.

Any Customer electing re-installation will no longer be assessed the special monthly gas meter reading fee after the AMR meter has been re-installed.

8.0 DISCONTINUANCE OF SERVICE:

Subject to the applicable regulations of the PUC and the Division, the Company shall have the right to discontinue gas service to the Customer and to remove or disconnect its meters and piping for nonpayment of bills for gas service. The customer shall be responsible for paying the cost of reconnecting gas service if the service is disconnected for nonpayment of bills or an account restoration charge, as identified in Item 12.0, in the case of a turn-on after a shut-off for nonpayment of bills. Such account restoration charge shall be waived for Customers receiving service on low income rate classes Rate 11 and Rate 13.

The Company reserves the right to disconnect its service at any time without notice or to refuse to connect its service if, to its knowledge and in its judgment, the Customer’s

GENERAL TERMS AND CONDITIONS

installation has become or is unsafe, defective, or in violation of the Company's policies or any ordinances, laws, codes, or regulations.

In the event that any action by the Customer or others shall cause a condition in the premises occupied by any customer whereby life or property is endangered, the Company may discontinue service to said premises regardless of the number of occupants or tenants of said premises.

Whenever the Company shall have proof that any customer is diverting and/or stealing service, the Company may discontinue its service to such customer and remove the meter.

9.0 COMPANY INSTALLATION AND PROPERTY:

All meters, services, and other gas equipment owned by the Company shall be and will remain the property of the Company and no one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain such property. The Customer shall be responsible for all damage to, or loss of, such property unless occasioned by circumstances beyond the Customer's control. Such property shall be installed at points most convenient for the Company's access and service and in conformance with public regulations in force from time to time. The costs of relocating such property shall be borne by the Customer when done at the Customer's request, or for his convenience, or if necessary to remedy any violation of public law or regulation caused by the Customer.

The Company shall provide and maintain the necessary housing, fencing, barriers, and foundations for the protection of the equipment to be installed upon the Customer's premises. Such space, housing, fencing, barriers, and foundations shall be in conformity with applicable laws and regulations and subject to the Company's specifications and approval.

10.0 SUPPLY OF GAS:

The Company shall make every reasonable effort to maintain an uninterrupted supply of gas for all firm customers, but it shall not be liable for loss or damage caused by reason of any interruption or reduction of the supply, or by reason of any abnormal pressure or quality of the gas, whether as a result of accident, labor difficulties, condition of fuel supply, the actions of any public authority, failure to receive any gas for which in any manner it has contracted, the implementation in accordance with good utility practice of an emergency load reduction program by the Company or one with whom it has contracted for a supply of gas, or inability for any other reason beyond the Company's control to maintain normal pressure or quality, or uninterrupted and continuous service.

GENERAL TERMS AND CONDITIONS

Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure and such action shall not be construed to constitute a default nor shall the Company be liable therefore in any respect. The Company will use reasonable efforts under the circumstances to overcome the cause of such curtailment, interruption, or reduction and to resume full performance.

The Company shall be excused from performing under the Schedule of Rates and shall not be liable in damages or otherwise if and to the extent that it shall be unable to do so or prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by loss, diminution, or impairment of gas supply from its suppliers or the systems of others with which it is interconnected; or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto; the Company shall use reasonable efforts under the circumstances to overcome such cause and to resume full performance.

The foregoing shall not alter the Company's liability under applicable legal standards for damages in the case of its negligent or intentionally wrongful conduct with respect to any act or failure to act by the Company.

11.0 COMPANY LIABILITY:

The Company shall not be liable for any loss or damage resulting from the use of gas or the presence of the Company's appliances and equipment on the Customer's premises unless such loss or damage results directly and solely from the Company's negligence.

The Company shall not, in any event except that of its own negligent acts or omissions, be liable to any party for any direct, consequential, indirect, or special damages, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, or actions taken by the Company, or its agents or employees, under the Schedule of Rates or in accordance with or required by law, including, without limitation, termination of the customer's service.

The Customer assumes full responsibility for the proper use of gas furnished by the Company and for the condition, suitability, and safety of any and all equipment on the Customer's premises, or owned or controlled by the Customer which is not the Company's property. The Customer shall indemnify and save harmless the Company from and against any and all claims, expenses, legal fees, losses, suits, awards, or judgments for injuries to or deaths of

GENERAL TERMS AND CONDITIONS

persons or damage of any kind, whether to property or otherwise, arising directly or indirectly by reason of (1) the routine presence in or use of gas from pipes owned or controlled by the Customer; or (2) the failure of the Customer to perform any of his or her duties and obligations as set forth in the Schedule of Rates where such failure creates safety hazards; or (3) the Customer's improper use of gas or gas appliances. Except as otherwise provided by law, the Company shall be liable for damages claimed to have resulted from the Company's conduct of its business only when the Company, its employees, or agents have acted in a negligent or intentionally wrongful manner.

12.0 SCHEDULE OF AMINISTRATIVE FEES AND CHARGES:

Account Restoration Charge: \$96.00

Paperless Billing Credit: \$0.37/bill/month

Return Check Charge: \$8.00

Daily Metered Equipment Fee: A customer will be charged for the cost of equipment installed by the Company to provide FT-1 Distribution Service through wireless readings of the Company's meter pursuant to Section 7, Schedule C, Item 2.02.0. The initial lump sum charge is \$1,239.00

Daily Metered Data Plan Fee: A customer will be charged annually for the data plan associated with FT-1 Distribution Service pursuant to Section 7, Schedule C, Item 2.02.0. The annual data plan fee is \$17.00

AMR Opt-Out Fees:

Removal of AMR Meter/Installation of Non-AMR Meter: \$74.00

Monthly Meter Reading Fee: \$13.00

Reinstallation of AMR Meter: \$74.00

DEFINITIONS

Actual Base Revenue Per Customer:	The actual base revenue for a rate class for a month divided by the actual number of customers billed for each rate class in the month.
Actual Transportation Quantity:	The quantity of gas actually received during the Gas Day as measured by the metering equipment at the Point(s) of Receipt, adjusted for the applicable Company Fuel Allowance.
Aggregation Pool:	One or more transportation Customer accounts whose gas usage is aggregated into a Marketer's account for operational purposes, including but not limited to nominating, scheduling and balancing gas deliveries to specified Point(s) of Receipt.
Average Normalized Winter Day Usage:	A Customer's average normal winter day's usage, based on their actual gas usage during the most recent November through March period, adjusted for normal degree days, as approved in the most recent general rate case.
Base Revenue:	Base Revenue is the sum of the customer charge, variable distribution charges and demand charges for firm service rate classes. Base Revenue is net of Gross Earnings Tax (GET).
BTU content factor:	One British thermal unit (i.e., the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees (60°) Fahrenheit). A Therm is one hundred thousand Btus. The BTU content factor for a given volume shall be calculated by the Company on a seasonal basis at the end of October and the end of April based upon an average of the Transporting Pipeline's prior six-month experience of recorded BTU factors.
Capacity Release Revenues:	Revenues derived from the sale of capacity upstream of the city-gate.
Capacity Exempt Customer:	Any Customer who is the customer of record at a location having a Capacity Exemption.
Capacity Exemption:	A location having Gas Usage that is not subject to a mandatory pipeline capacity assignment from the Company. Customers are

DEFINITIONS

capacity exempt if they (1) elected to retain their Capacity Exemption at a specific location as part of the 1999 revisions to the Company's Business Choice program in Docket RIPUC 2902, (2) receive delivery service on the Company's Non-Firm Sales or Non-Firm Transportation rate schedules, or (3) elected capacity exemption as a New Customer in accordance with Section 6, Transportation Terms and Conditions, Schedule C, Part 1.07.1.

Company Fuel
Allowance:

The quantity in Therms (as calculated on a percentage basis) by which the gross amount of gas received for Customer's account at the Point(s) of Receipt is reduced in kind in order to compensate the Company for gas loss and unaccounted for, Company use or similar quantity-based adjustment.

Consumption
Algorithm:

A mathematical formula used to calculate a Customer's daily consumption based on the Customer's historical base load and heat use per heating degree day factor.

Critical Day:

Defined as any day where supply resource constraints are expected to adversely impact the operation of the Company's distribution system. A Critical Day may occur under conditions, such as severe cold temperatures, pipeline emergencies, malfunctions or unusual, out-of-season weather conditions.

Customer:

Any party(s) that has obtained service from the Company pursuant to the General Terms and Conditions or pursuant to the Transportation Terms and Conditions.

Daily Index:

The mid-point of the range of prices for the respective New England Citygates as published by Gas Daily under the heading "Daily Price Survey, Midpoint, Citygates, Algonquin Citygates" and "Daily Price Survey, Midpoint, Citygates Tennessee/Zone 6 (delivered)" for the relevant Gas Day listed under "Flow date(s)." In the event that the Gas Daily index becomes unavailable, the Company shall apply its daily marginal cost of gas as the basis for this calculation until such time that PUC approves a suitable replacement.

Deferred Balance:

The difference between incurred costs and revenues received.

DEFINITIONS

Deferred Gas Cost Balance:	The difference between gas costs incurred and gas revenues received.
Dekatherm (Dt):	Ten Therms or one million Btu's (MMBtu).
Design Winter Sales Sendout:	Sales sendout of Residential Non-Heating, Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I during November through March based on design winter temperatures.
Division	The Rhode Island Division of Public Utilities and Carriers.
Electronic Bulletin Board (EBB):	An internet web site which allows both the Company and Marketers to electronically post nominations and other transportation-related information.
EDI	Electronic Data Interchange, the system by which the Company and Marketers initiate transactions and share information.
Environmental Response Costs:	All reasonable and prudently incurred costs associated with evaluation, remediation, clean-up, litigation, claims, judgments, insurance recovery (net of proceeds), and settlements arising out of the Company's utility-related ownership, operation, or use of: (1) manufactured gas production and storage facilities and disposal sites where wastes and materials from such facilities were deposited; (2) mercury regulators; and (3) meter disposal. Also included are the reasonable and prudently incurred costs for acquiring plant, property and equipment to facilitate remediation and other appropriate environmental management objectives in connection with the above sites, properties, and activities. The Company will use its best efforts to minimize Environmental Response Costs consistent with applicable regulatory requirements and sound environmental management policies and practices.
Forecasted Daily Usage (FDU):	Customer's estimated daily consumption for the next gas day as calculated by the Company based upon a forecast of heating degree days and the consumption algorithm.

DEFINITIONS

Gas Day:	A period of twenty-four (24) consecutive hours beginning at 10:00 am (EST) and ending at 10:00 am (EST) the next calendar day.
Gas Usage:	The actual quantity of gas used by the Customer as measured by the Company's metering equipment at the Point of Delivery and converted to Therms.
Hedge Collateral:	Funds the Company is required to put up as collateral on hedge positions by an exchange or counterparty, or funds it receives from an Exchange or counterparty as collateral.
Hedge Collateral Carrying Costs:	<p>For the month being calculated, carrying costs equal the total of the following: (1) For each exchange or counterparty holding the Company's collateral, the monthly short term borrowing rate defined as the Company's money pool rate, times the average hedge collateral daily balance for the month divided by 12, less (2) for each exchange or counterparty where the Company holds their collateral, the monthly short term borrowing rate times the average hedge collateral daily balance for the month divided by 12, less (3) any interest paid to the Company by the exchange or counterparty on the collateral funds it holds.</p> <p>The Company will recover carrying costs from customers or credit customers for carrying costs through the Gas Adjustment. In the event the Company chooses to meet its collateral obligations by posting a letter of credit or other non-cash instrument, the carrying cost will be the direct costs of the letter of credit or alternative non-cash instrument.</p>
Imbalance:	The difference between the Actual Transportation Quantity and Gas Usage.
Interest on Deferred Balance:	Interest revenue/expense required to finance the deferred balance based on the Bank of America Prime Rate less 200 basis points (2%) as in effect from time to time.
Inventory Finance	

DEFINITIONS

Charge:	Finance charges associated with the storage of natural gas as calculated using a working capital calculation.
Local Storage Costs:	Costs associated with the investment, operations, and maintenance of natural gas storage downstream of the city-gate.
Marginal Gas Cost:	The variable cost of the Company's marginal source of supply for the Gas Day. Incremental Cost is a synonymous term.
Marketer:	An entity meeting the eligibility requirements of Section 6, Schedule C, Item 5.03, that is designated in a Transportation Service Application by the Customer to act on its behalf for nomination, notification, scheduling, balancing, and receipt of communications, and which has executed a Marketer Aggregation Pool Service Agreement. A Customer may designate itself as the Marketer provided that they have an executed service agreement with the Transporting Pipeline or provide proof of contract to purchase the gas at the Company's city gate.
Maximum Daily Quantity:	The maximum quantity of gas a customer is authorized to use during the gas day.
Monthly Index:	The simple average of the Daily Indices for the applicable month.
Net Insurance Recoveries:	Proceeds recovered from insurance providers and third parties for Environmental Response Costs, less the cost of obtaining such proceeds through claims, settlements, and litigation.
New Customer:	A Customer taking a supply of gas at a new Point of Delivery that has not been previously served by the Company.
Non-Firm Customer:	A customer who receives service under the Company's Non-Firm rate class.
Non-Firm Transportation Margin:	Margins derived from the transportation of natural gas to non-firm customers downstream of the city gate.
Off-System Sales Margins:	Margins derived from the sale of natural gas upstream of the city-gate.

DEFINITIONS

Operational Flow Order:	The Company's instruction to Marketers and/or Customers to take such action as conditions require, including, but not limited to, diverting gas to or from the Company's distribution system pursuant to Section 6, the Transportation Terms and Conditions, Schedule C, Item 1.04.2.
Peak Day Use:	The estimated use of a customer on the forecasted Gas Day during which the Company's system experiences the highest aggregate Gas Usage. It is calculated by estimating the customer's average use on a day when heat is not required (the baseload use) and the average use per degree day (the heating use) based on the customer's historical usage history. In the event the customer's historical usage is unavailable or not representative of expected future use, the Company will evaluate the customer's gas equipment and its projected utilization in order to calculate the customer's estimated use. The Peak Day Use equals the baseload use plus the product of the use per degree day times the design degree day value as approved by the PUC.
Pipeline Costs:	Costs associated with the entitlement and transmission of natural gas on the interstate pipeline system.
Pipeline Shipper(s):	The party(s) from whom a Marketer has purchased gas to be delivered to and transported by the Company.
Point of Delivery:	A location at which the Company's distribution facilities are interconnected with the Customer's facility.
Point(s) of Receipt:	Outlet side of the measuring station at the interconnection between the Transporting Pipeline and the Company's distribution facilities where gas will be received by the Company for transportation service in its service territory.
PUC	The Rhode Island Public Utilities Commission.
Purchased Gas Working Capital:	The working capital required to finance the Company's purchased gas.
Refunds:	Refunds from pipeline, storage, and suppliers.

DEFINITIONS

Scheduled Transportation

Quantity: The quantity of gas scheduled by the Marketer to be received by the Company for Customer's account during the Gas Day at the Point of Receipt, including the applicable Company Fuel Allowance.

Service Quality Performance

Fund: Deferred account containing accumulated Service Quality adjustments.

Soft-Off

The termination of an account by the Company for billing purposes where there is no new customer of record and the actual flow of gas to the premises is not disconnected.

Supplier Costs:

Costs associated with the entitlement and purchase of natural gas.

Target Revenue Per

Customer: For the period through August 2018, the target revenue per customer amount is that established in Docket 4323. For the period beginning September 2018, it shall be the target revenue per customer establish in Docket 4770.

Therm:

An amount of gas having a thermal content of 100,000 Btus.

Transportation

Imbalance Revenues: Revenues associated with daily and monthly imbalances for transportation customers, as included in the Company's Terms and Conditions of Firm Transportation.

Transporting Pipeline:

The party(s) engaged in the business of rendering transportation service of natural gas in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission, which are transporting gas for Marketer to a Point of Receipt of the Company.

Upstream Storage

Costs: Costs associated with the entitlement, injection, withdrawal, and storage of natural gas upstream of the city-gate.

Working Capital:

The dollar amounts required to support the Company's activities prior to the receipt of revenue.

TAXES AND SURCHARGES

1.0 RHODE ISLAND GROSS EARNINGS TAX:

Unless otherwise indicated, all rates exclude an amount necessary for the payment of Rhode Island Gross Earnings Tax. An amount necessary for the payment of Rhode Island Gross Earnings Tax will be separately identified on bills rendered to customers.

2.0 GROSS EARNINGS TAX REDUCTION FOR MANUFACTURERS:

Consistent with the gross earnings tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be billed the applicable Rhode Island Gross Earnings Tax (GET). The Customer is responsible for providing to the Company in writing its tax exemption number and other appropriate documentation. If the Company collected any taxes or assessments from the Customer and is later informed by the Customer that the Customer is exempt from such taxes, it shall be the Customer's responsibility to obtain any refund from the appropriate governmental taxing agency.

Eligible manufacturing customers are those Customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30 (7) of Rhode Island General Laws) indicating the Customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a Customer, the Customer will be required to reimburse the Company in the amount of the credits provided to such Customer which were disallowed, including any interest required to be paid by the Company to such authority.

The Division of Taxation has indicated that it will generally deem 95% of manufacturer's volumes to be for "manufacturing use" eligible for the reduced manufacturer's Gross Earnings Tax rate. Thus, unless usage is separately metered for manufacturing only, 95% of billed amounts for qualified customers will be deemed to be for manufacturing purposes and eligible for the manufacturer's GET credit, whereas the remaining 5% of the billed amount will be subject to the standard GET rate. If usage is separately metered for manufacturing use only, the entire amount will be subject to the reduced manufacturing GET rate.

No other use of gas will be included in this rate for billing purposes.

3.0 OTHER RHODE ISLAND TAXES:

Where applicable at rate or rates in effect from time to time.

TAXES AND SURCHARGES

4.0 ENERGY EFFICIENCY SURCHARGE:

As provided for in Section 39-1-27.7 and Section 39-2-1.2 of Rhode Island General Laws, a charge per dekatherm (Dt) designed to recover the costs of the Company's gas Energy Efficiency Program ("EEP").

With the filing of the Company's EEP plan for the upcoming calendar year, the Company will file its EEP per Dt charge on or before October 1 of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement plan, the Company will file the EEP Charge by October 15. The EEP Charge shall be effective on the following January 1. The EEP charge will be designed to collect the estimated costs of the Company's EEP plan for the upcoming calendar year plus a full reconciliation of all costs and revenues for the current year including a reconciliation of forecasted revenue and costs for months of the current year for which actual data is not available at the time of the filing. Any projected amounts included in the EEP charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future EEP charge filing. Upon approval by the PUC, such a charge (adjusted for the uncollectible percentage approved in the most recent general rate case) shall become effective with usage on or after the effective date.

The Company may file to change the EEP charge at any time should significant over- or under-recoveries occur.

GAS COST RECOVERY CLAUSE

1.0 GENERAL:

1.1 Purpose:

The purpose of this clause is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and the weighted average cost of upstream pipeline transportation capacity in order to recover the costs of gas supplies, pipeline and storage capacity, production capacity and storage, purchased gas working capital, and to credit supplier refunds, capacity credits from off-system sales and revenues from capacity release transactions.

The Gas Cost Recovery Clause shall include all costs of firm gas, including, but not limited to, commodity costs, demand charges, hedging and hedging related costs, local production and storage costs and other gas supply expense incurred to procure and transport supplies, transportation fees, inventory finance costs, requirements for purchased gas working capital, all applicable credits, taxes, and deferred gas costs. Any costs recovered through the application of the Gas Charge shall be identified and explained fully in the annual filing.

1.2 Applicability:

The Gas Charge shall be calculated separately for the following rate groups:

- (1) Residential Non-Heating, Low Income Residential Non-Heating, Large C&I High Load Factor, Extra Large C&I High Load Factor;
- (2) Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large C&I Low Load Factor, and Extra Large C&I Low Load Factor; and
- (3) FT-2 Firm Transportation – Marketers.

The Company will make annual Gas Charge filings based on forecasts of applicable costs and volumes and annual Reconciliation filings based on actual costs and volumes. The Gas Charge shall become effective with consumption on or after November 1 as designated by the Company. In the event of any change subsequent to the November effective date which would cause the estimate of the Deferred Gas Cost Balance to differ from zero by an amount greater than five percent (5%) of the Company's gas revenues, the Company may make a Gas Charge filing designed to eliminate that non-zero balance.

Unless otherwise notified by the PUC, the Company shall submit the Gas Charge filings no later than sixty (60) days before they are scheduled to take effect. The Annual Reconciliation filing will be made by July 1 of each year containing actual data for the twelve months ending March 31 of that year.

GAS COST RECOVERY CLAUSE

2.0 GAS CHARGE FACTORS

2.1 Gas Charges to Sales Customers:

The Gas Charge consists of two (2) components: (1) Fixed Costs and (2) Variable Costs. These components shall be computed using a forecast of applicable costs and volumes for each firm rate schedule based on the following formula:

$$GC_s = FC_s + VC_s$$

Where:

GC_s Gas Charge applicable to High Load Factor sales rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor sales rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).

FC_s Fixed Cost Component for a rate classification. See Item 3.1 for calculation.

VC_s Variable Cost Component for a rate classification. See Item 3.2 for calculation.

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

2.2 Gas Charge to FT-2 Marketers:

The FT-2 Demand Rate (SDC_M) recovers fixed costs associated with storage and peaking resources including pipeline supplies designated by the Company for peaking purposes. See item 3.3 for calculation.

The FT-2 Variable Charges for underground storage components consist of the following:

SLF The Company's weighted average loss factor on storage withdrawals across all storage contracts.

$WWCC$ The Company's weighted average commodity cost of storage withdrawals under all storage contracts.

GAS COST RECOVERY CLAUSE

PLF The Company's weighted average loss factor on pipeline contracts used to deliver storage withdrawals to the system.

PCC The Company's weighted average commodity cost on pipeline contracts used to deliver storage withdrawals to the system

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

3.0 GAS CHARGE CALCULATIONS

3.1 Supply Fixed Cost Component:

The Supply Fixed Cost Component shall include all fixed costs related to the purchase, storage, or delivery of firm gas, including, but not limited to, pipeline and supplier fixed reservation costs, demand charges, operation and maintenance costs for storage facilities and other fixed gas supply expense incurred to transport or store supplies, transportation fees, and requirements for purchased gas working capital. Any costs recovered through the application of the Supply Fixed Cost Component shall be identified and explained fully in the annual filing.

The Supply Fixed Cost Component is calculated for each applicable rate schedule as follows:

$$FC_S = \frac{DWS_S \times (TC_{FC} - TR_{FC} + WC_{FC} + R_{FC} - (SDC_M \times MDQ_{SM} \times 12))}{Dts}$$

Where:

FCs Supply Fixed Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).

DWSs Percent of Design Winter Sales Sendout (November - March) for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income

GAS COST RECOVERY CLAUSE

Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).

TC _{FC}	Total Fixed Costs, including, but not limited to pipeline, storage, and supplier reservation and supply related local production and storage costs. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
TR _{FC}	Credits to Fixed Costs relating to supply services, including, but not limited to Marketer capacity release revenues, the amount forecasted to customers under the Natural Gas Portfolio Management Plan (“NGPMP”) for the November to October period, and forecasted gas costs relating to supplies required to maintain system pressures on the Company’s distribution system, as defined in Section 3, Item 3.1.
WC _{FC}	Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.
R _{FC}	Deferred Fixed Cost Account Balance as of October 31, as derived in Item 6.0 less the amount guaranteed to customers under the NGPMP and, following approval by the PUC, the net positive revenue from optimization transactions reduced by the guaranteed amount and the Company incentive under the Plan.
SDC _M	FT-2 Storage Demand Charge rate charged to Marketers based on their Maximum Daily Quantity of storage gas. See Item 3.3 for calculation.
MDQ _{SM}	Storage Forecast of Maximum Daily Quantity to be billed to Marketers.
Dts	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.

3.2 Supply Variable Cost Component:

The Supply Variable Cost Component shall include all variable costs of firm gas, including, but not limited to, commodity costs, taxes on commodity and other gas supply expense incurred to transport supplies, transportation fees, and requirements for purchased gas working capital, storage commodity costs, taxes on storage commodity and other gas storage expense incurred to transport supplies,

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transportation fees, inventory commodity costs, and inventory financing costs. Any costs recovered through the application of the Supply Variable Cost Component shall be identified and explained fully in the annual filing.

The Supply Variable Cost Component is calculated for each applicable rate schedule as follows:

$$VC = \frac{TC_{VC} - TR_{VC} + WC_{VC} + R_v + IF_s}{D_{tvc}}$$

Where:

VC	Supply Variable Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).
TC _{VC}	Total Supply Variable Costs, including, but not limited to pipeline, supplier, storage, commodity-billed pipeline transition costs, and any hedge, hedging related cost or the carrying cost on hedge collateral.
TR _{VC}	Total Credits to Supply Variable Costs, including, but not limited to balancing commodity charge revenues and transportation imbalance charges.
WC _{VC}	Working Capital requirements associated with Total Supply Variable Costs. See Item 5.0 for calculation.
R _v	Deferred Cost Account Balance as of October 31, as derived in Item 6.0 plus the net of any Gas Procurement Incentives/Penalties associated with the Gas Procurement Incentive Plan.
D _{tvc}	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.
IF _s	Inventory Finance Cost as calculated in Item 4.0 below.

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3.3 FT-2 Storage Demand Charge:

The FT-2 Storage Demand Charge (SDC_M) shall include all fixed costs related to the operations, maintenance, and delivery of storage, including, but not limited to, the supply-related portion of local production and storage costs, delivery of storage gas to the Company's Distribution System, Storage Inventory Financing Charges and requirements for purchased gas working capital. Any costs recovered through the application of the Storage Demand Charge shall be identified and explained fully in the annual filing.

The Storage Demand Charge Component is calculated for the FT-2 rate schedule as follows:

$$\text{SDC}_M = \frac{\text{TFCs} + \text{IFs} + \text{WCs}}{\text{MDQs} \times 12}$$

Where:

SDC _M	FT-2 Storage Demand Charge in \$/per Maximum Daily Quantity of Storage gas to be charged to Marketers.
TFCs	Total Storage Fixed Costs, equals all fixed costs of storage, including, but not limited to, the supply related portion of local production and storage costs, taxes on storage, any demand or fixed charges associated with storage or delivery of storage gas to the Company's Distribution System, and any demand or fixed pipeline reservation charges designated by the Company as a peaking resource. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
IFs	Inventory Finance Cost as calculated in Item 4.0 below.
MDQs	The total maximum daily quantity of storage gas in Dekatherms deliverable to the Company's Distribution System using the LNG facilities, storage resources, and pipeline contracts related to storage delivery.
WC _{FC}	Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.

GAS COST RECOVERY CLAUSE

4.0 INVENTORY FINANCING:

$$IF_s = (ASB_U + ASB_L) \times COC$$

Where:

IF_s	Inventory Finance Charges for storage
ASB_U	Average underground storage balance
ASB_L	Average LNG storage balance
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause Filing.

5.0 WORKING CAPITAL REQUIREMENT:

$$WC_M = WCA_M \times [DL \div 365] \times COC$$

Where:

WC_M	Working Capital requirements of Supply Fixed (WC_{FC}) and, Storage Fixed (WC_{SFC}), Supply Variable (WC_{SV}), Storage Variable Product (WC_{SVC}) or Storage Variable Non-product (WC_{SVNC}) Cost Components.
WCA_M	Working Capital Allowed in the Supply Fixed, Storage Fixed, and Supply Variable, Storage Variable Product, or Storage Variable Non-product Cost component calculations.
DL	Days Lag approved in the most recent general rate case.
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause (DAC) filing in support of the Earnings Sharing Mechanism (ESM). The long-term debt

GAS COST RECOVERY CLAUSE

component will be based on the Company's actual long-term borrowing rate as presented in the Company's annual DAC filing.

6.0 DEFERRED GAS COST ACCOUNTS:

The Company shall maintain two (2) separate Deferred Gas Cost Accounts: (1) Fixed Costs and revenues and (2) Supply Variable Costs and revenues. Entries shall be made to each of these accounts at the end of each month as follows:

An amount equal to the allowable costs incurred less:

1. Gas Revenues collected adjusted for the RIGET and uncollectible percentage approved in the most recent general rate case;
2. Credits to costs, including but not limited to GCR Deferred Responsibility surcharge/credits and Transitional Sales Service (TSS) surcharge revenues, and including
3. Monthly interest based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning-of-the-month balance and the balance after entries 1. and 2. above.

7.0 REFUNDS:

Any refund associated with the Company's total gas cost for Sales customers shall be credited to the Deferred Cost Account.

8.0 WEIGHTED AVERAGE UPSTREAM PIPELINE TRANSPORTATION COST:

At the request of a marketer or the Division, the Company will provide within 21 days an estimate of the pipeline path costs for the next GCR year beginning November 1. The estimate will be based on the most recent GCR filing updated for current commodity pricing and other known changes which would significantly affect the factor. Concurrent with the annual GCR filing, the Company shall calculate the final weighted average cost of upstream pipeline transportation capacity. The cost shall be applicable to capacity release under the Transportation Terms and Conditions effective November 1 of each year or at such time as the PUC approves the rates.

GAS COST RECOVERY CLAUSE

9.0 DEFERRED GAS COST RESPONSIBILITY:

Under the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.0, if a Customer who has been receiving firm sales service and elects to transfer to transportation service to purchase gas from a Marketer, the Customer is responsible for their portion of the deferred gas cost balance. The calculation of any under-recovered or over-recovered gas cost attributable to the Customer's prior service will be charged or credited to the Customer's account at the time transportation service is initiated.

9.1 Factor Calculations:

The calculation of the Customer's deferred gas cost balance consists of: (1) the prior period deferred gas cost reconciliation amount reflected in the Company's current Gas Charge; and (2) any incremental under-recovery or over-recovery of actual costs versus projected costs that accrue while the current Gas Charge is in effect.

The first component is calculated on the basis of the Company's Gas Charge filing with the PUC in accordance with the following formula:

$$\text{PPF} = \frac{\text{DAB}_B}{\text{Dts}}$$

Where:

PPF Prior Period Factor as a \$/Dt.

DAB_B Deferred Gas Cost Account Beginning Balance for the first month covered under the Gas Charge filing.

Dts Forecast of sales volumes for the period covered by GCC filing.

The second component is calculated on a quarterly basis and represents the additional deferral balance since the balance determined in the Company's last Gas Charge filing. The factor is calculated as follows:

$$\text{IDF} = \frac{\text{DQB}_E - \text{PDAB}_B}{\text{Dt}_a}$$

Where:

GAS COST RECOVERY CLAUSE

- IDF Incremental Deferred Gas Cost Balance Factor as a \$/Dt.
- DQB_E Actual Deferred Gas Cost Account Ending Balance for a quarter subsequent to the PPF.
- PDAB_B Projected Deferred Gas Cost Account Ending Balance for the quarter subsequent to the PPF.
- Dt_a Actual sales volumes for the quarter(s) subsequent to the PPF.

9.2 Application of Factors:

The customer's total Deferred Gas Cost Responsibility will equal the sum of the following:

- (1) The PPF times: (a) the Customer's prior GCR year's total Dt minus (b) the Customer's current year's Dt where the current GCR year's Dt reflects the period the customer has been billed the current Gas Charge; and
- (2) The IDF times the Customer's Dt during the period covered by the IDF.

DISTRIBUTION ADJUSTMENT CLAUSE

1.0 GENERAL

1.1 Purpose:

The purpose of the Distribution Adjustment Clause (“DAC”) is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and transportation in order to recover, credit, or reconcile the following:

- (1) the system pressure costs;
- (2) the costs of the Infrastructure, Safety, and Reliability Plan;
- (3) the amortization of the most recent ten years of Environmental Response costs;
- (4) Pension costs and Post-retirement Benefits Other than Pensions expenses;
- (5) to credit any Service Quality Performance penalties;
- (6) any over or under collections of revenue under the Revenue Decoupling mechanism;
- (7) the previous year DAC items;
- (8) any Earnings Sharing;
- (9) any Residential Assistance costs; and
- (10) the net revenue received for Storm Restoration services provided in other jurisdictions.

Any costs recovered through the application of the Distribution Adjustment Charge shall be identified and explained fully in the annual Distribution Adjustment Charge filing.

1.2 Applicability:

The Distribution Adjustment Charge will be applied to sales and transportation volumes under each of the Company’s firm rate schedules.

The Company will make annual DAC filings and its annual Reconciliation filings based on actual costs and volumes available at the time of filing as well as forecasts of applicable costs and volumes through October of that year. With the exception of the Infrastructure, Safety and Reliability component described in Item 3.2.2, the Distribution Adjustment Charge shall become effective with consumption as of November 1 each year.

Unless otherwise notified by the PUC, the Company shall submit the Distribution Adjustment Charge filings no later than 90 days before they are scheduled to take effect, provided however that the Revenue Decoupling Adjustment component of the

DISTRIBUTION ADJUSTMENT CLAUSE

Distribution Adjustment Charge filing will be made July 1 annually. The Annual Reconciliation filing will be made by August 1 of each year.

2.0 DISTRIBUTION ADJUSTMENT CHARGE:

The Distribution Adjustment Charge will consist of an annual System Pressure factor, an Advanced Gas Technology factor, an Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, and a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Storm Net Revenue Factor and an Arrearage Management Adjustment Factor. The Distribution Adjustment Charge is calculated as follows:

$$DAC = SP + ISR + ERCF + PAF + SQP + RDA + AMAF + R + ESM + LIDRF + SNR$$

Where:

DAC	Distribution Adjustment Charge applicable to all firm throughput.
SP	System Pressure factor. See Item 3.1 for calculation.
ISR	Infrastructure, Safety, and Reliability factor. See Item 3.2 for calculation.
ERCF	Environmental Response Cost Factor. See Item 3.3 for calculation.
PAF	Pension Adjustment Factor. See Item 3.4 for calculation.
SQP	Service Quality Performance Factor. See Item 3.5 for calculation.
RDA	Revenue Decoupling Adjustment factor. See Item 3.6 for calculation.
AMAF	Arrearage Management Adjustment Factor. See Item 3.7 for calculation.
LIDRF	Low Income Discount Recovery Factor. See Item 3.8 for calculation.
SNRF	Storm Net Revenue Factor. See Item 3.9 for calculation.
R	Reconciliation of deferred account balances as of October 31. See Item 4.0 for calculation.
ESM	Earnings Sharing Mechanism Factor. See Item 5.0 for calculation.

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The Distribution Adjustment Charge, excluding the RDA, shall be increased by the uncollectible expense percentage approved in the most recent general rate case.

3.0 DISTRIBUTION ADJUSTMENT CALCULATIONS

3.1 System Pressure Factor:

The System Pressure factor shall be computed in a manner that identifies and includes all fixed and variable gas supply costs required on an annual basis to maintain pressure within the Company's distribution system and shall identify and consider all gas supply costs that are required to maintain pressure for all portions of the Company's distribution system. The System Pressure factor shall also include a reallocation of fixed gas costs incurred to meet peak hour requirements from the Company's GCR to the DAC:

$$SP = \frac{(GCSP \times SP\%) + GCPH}{Dt_T}$$

Where:

SP	System Pressure Amount.
GCSP	Forecasted Gas Costs associated with supply used to maintain system pressures, including both demand and commodity costs.
SP%	Percent of supply used to maintain system pressures, as established in the most recent general rate case or DAC proceeding.
GCPH	Forecasted fixed Gas Costs incurred to meet the peak hour requirements.
Dt _T	Forecasted annual firm throughput.

3.2 Infrastructure, Safety and Reliability Plan:

3.2.1 Gas Infrastructure, Safety, and Reliability Plan Filing:

DISTRIBUTION ADJUSTMENT CLAUSE

In compliance with R.I.G.L. Section 39-1-27.7.1, no later than January 1 of each year, the Company shall submit to the PUC a Gas Infrastructure, Safety, and Reliability Plan (Gas ISR Plan) for the upcoming fiscal year (April to March) for review and approval within 90 days. The Gas ISR Plan shall include the upcoming fiscal year's forecasted capital investment on its gas distribution system infrastructure and may include any other costs relating to maintaining safety and reliability that have been mutually agreed upon by the Division and the Company.

3.2.2 Infrastructure, Safety and Reliability Factor:

Effective each April 1, the Company shall recover through a change in Distribution Adjustment Charge rates the Cumulative Revenue Requirement on the Adjusted Cumulative Non-growth Capital Investment as approved by the PUC in the Company's annual gas infrastructure, safety, and reliability filings less the amount included in rate base for base rate purposes. For purposes of this section, non-growth capital shall exclude general plant (FERC Accts 389 through 399). The Cumulative Revenue Requirement shall mean the return and taxes on year-end Adjusted Cumulative Non-growth Capital Investment, at a rate equal to the pre-tax weighted average cost of capital as approved by the PUC in the most recent general rate case, plus the annual depreciation net of depreciation expense attributable to general plant that was approved by the PUC in the Company's most recent general rate case adjusted, if appropriate, by later proceedings related to capital, plus the annual municipal property tax recovery mechanism.

The Adjusted Cumulative Non-growth Capital Investment shall mean the cumulative actual non-growth capital investment recorded as in service since the end of the Company's rate year in its most recent general rate case, reflecting any difference between Actual Non-Growth Investment and Forecasted Non-Growth Investment for any period during which Forecasted Non-Growth Investment has not been reconciled to Actual Non-Growth Investment including through the end of the Company's rate year in its last general rate case. Cumulative Revenue Requirements will reflect Adjusted Cumulative Non-Growth Capital Investment as defined above plus the associated retirements, cost of removal, accumulated depreciation, and accumulated deferred taxes.

All accumulated Gas ISR investments will be eligible for inclusion in rate base recovery through new rates set in the next general rate case.

The Company shall allocate the Cumulative Revenue Requirements to its rate classes based on the rate base allocation approved by the PUC in the Company's most recent general rate case. Any other costs, including Operation and Maintenance expenses

DISTRIBUTION ADJUSTMENT CLAUSE

mutually agreed upon by the Division and the Company shall be allocated on a per unit basis.

3.2.3 Infrastructure, Safety and Reliability Factor: Reconciliation Mechanism:

The Company shall include an annual reconciliation mechanism associated with the ISR Factor designed to reconcile the actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to the actual billed revenue for the prior fiscal year. As part of its annual DAC filing, the Company shall submit by August 1 a reconciliation factor (either positive or negative) related to the ISR Factor recoveries and actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to take effect annually for the twelve months beginning November 1 each year.

3.3 Environmental Response Cost Factor (ERCF):

$$\text{ERCF} = \frac{\frac{\sum \text{ERC}_{\text{Yr}_x}}{10} - \text{ERC}_{\text{EMB}}}{\text{Dt}_T}$$

Where:

ERC Environmental Response Costs as defined in Section 1, Schedule B Definitions

$\sum \text{ERC}_{\text{Yr}_x}$ The sum of Environmental Response Costs, incurred in the most recent twelve month period ended March 31.

ERC_{EMB} Environmental Response Costs funding embedded in base rates, \$1,310,000.

Dt_T Forecasted annual firm throughput

In order to limit the bill impacts that could potentially result from the incurrence of environmental remediation costs, the ERC factor, calculated as described above, shall be limited to an increase of no more than \$0.10 per dekatherm in any annual DAC filing. If this limitation results in the Company recovering less than the amount that would otherwise be eligible for recovery in a particular year, then beginning on the date that the proposed ERC factor becomes effective, carrying costs shall accrue to the Company on the portion of the environmental remediation costs not included in

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the ERC factor as a result of this limitation. Such carrying costs shall accrue through the year in which such amount, together with accumulated carrying costs, are recovered from ratepayers. Any amounts so deferred shall be incorporated into the ERC factor in succeeding years consistent with the \$0.10 per dekatherm ERC factor annual increase limitation. Such carrying charges shall accrue at the Interest on Deferred Balance rate specified in Section 1, Schedule B of the Company's Definition section above.

3.4 Pension Adjustment Factor:

The Pension Adjustment Factor shall recover or refund the prior fiscal year's reconciliation of the Company's actual Pension and Post-retirement Benefits Other Than Pension (PBOP) expenses to the Company's Pension and PBOP expense allowance included in distribution base rates, including interest at the rate of interest paid on customer deposits. The recoverable actual Pension and PBOP shall reflect expense recorded on the Company's books of account pursuant to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 715, Compensation—Retirement Benefits, as amended in March 2017 in a FASB Accounting Standards Update (formerly Statement of Financial Accounting Standards ("SFAS") 87 and SFAS 106) associated with pension and PBOP. The PAF will be computed on an annual basis for the twelve months ended March 31 and will be based on the difference in the Company's actual Pension and PBOP expense for the prior twelve month period ended March 31 and the distribution base rate allowance, plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the Pension and PBOP Minimum Funding Obligation for the fiscal year ended March 31. The Minimum Funding Obligation will be equal to the amount of Pension and PBOP costs collected from customers during the fiscal year, plus the amounts of Pension and PBOP costs capitalized during the year. The amount collected from customers during the fiscal year would include (1) Pension and PBOP allowance included in base rates, and (2) amounts collected or refunded through the PAF. For the purpose of determining its Minimum Funding Obligation and the carrying costs that apply to that obligation, the Company shall be permitted to combine the funding of pensions and PBOPs, thereby offsetting, any deficiencies in PBOPs funding with any excess pension funding, or conversely offsetting any deficiencies in pension funding with any excess PBOP funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount.

3.5 Service Quality Performance Factor:

The Service Quality Performance (SQP) Factor will be used for crediting to customers any penalties reflected in the Company's annual Service Quality Report.

DISTRIBUTION ADJUSTMENT CLAUSE

3.6 Revenue Decoupling Adjustment Factor:

The Revenue Decoupling Adjustment (RDA) Factor shall be a credit or surcharge determined for all Residential rate classes and Small and Medium C&I rate classes as the sum of the March 31 deferral ending balances for each rate class divided by the forecasted total annual firm throughput for those rate classes. The March deferral ending balance for each rate class shall result from the monthly calculation of the difference between the Target Revenue-per-Customer and the Actual Revenue-Per-Customer for each twelve months ending March 31. The deferral balance will be calculated as follows:

$$RDAF = \frac{\sum_{RC} (AEB_{M-1} + DIFF_M + INT_M)}{Dt_{RC}}$$

Where:

RDAF Revenue Decoupling Adjustment Factor

\sum_{RC} The sum of the March 31 deferral ending balances for each of the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

AEB_{M-1} Account Ending Balance for prior month

$DIFF_M$ Current month Difference

$$= (RPC_{TM} - RPC_{AM}) \times CUST_M$$

RPC_{TM} Target Revenue-per-Customer based on class specific revenue per customer targets established in the most recent general rate case. The target for Low-Income classes will reflect non-discounted revenue. Low-income class revenue and customers will be included with non-discounted revenue and customers for the purposes of setting the target.

RPC_{AM} Actual Revenue-per-Customer for current month calculated as actual base revenue divided by number of

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customers in the current month. Revenue for Low-Income classes will reflect non-discounted revenue.

$CUST_M$ Number of customers in current month

INT_M Interest on average monthly balance based on the Bank of America Prime minus 200 basis points.

Dt_{RC} Forecasted annual firm throughput for the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

3.7 Arrearage Management Adjustment Factor (AMAF):

In compliance with R.I.G.L. §39-2-1(d)(2), the Company shall surcharge customers allowable amounts forgiven through the Arrearage Management Plan (AMP) over the prior calendar year as described in Section 7, Schedule C, Item 9.0 through the AMAF.

$$AMAF = \frac{AMPC}{Dt_T}$$

Where:

$AMPC$ Allowable arrearage management plan costs the Company may recover from firm customers in accordance with R.I.G.L. § 39-2-1(d)(2) and described in Section 7, Schedule C, Item 9.0.

Dt_T Forecasted annual firm throughput

3.8 Low Income Discount Recovery Factor (LIDRF):

The Low Income Discount Recovery Factor shall be determined annually based upon the total amount of low income discount applied to eligible customer bills. The low income discount percentages are as follows:

- Residential Assistance Non-Heating, Rate 11: 25% with an additional 5% for a total of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program).

DISTRIBUTION ADJUSTMENT CLAUSE

- Residential Assistance Heating, Rate 13: 25% with an additional 5% for a total discount of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program.

$$\text{LIDRF} = \frac{\text{LIDC}}{\text{Dt}_T}$$

Where:

LIDC Annual low income discounts provided to eligible low income customers which the Company may recover from firm customers.

Dt_T Forecasted annual firm throughput excluding Rate 11 and Rate 13 forecasted annual throughput.

3.9 Storm Net Revenue Factor (SNRF):

The Storm Net Revenue Factor shall credit customers the value of services performed by the Company's employees in other jurisdictions, including those outside of ~~National Grid~~ USAPPL Corporation's operating companies' service territories, in accordance with the provisions of the Amended Settlement Agreement ("ASA") in Docket No. 4770. In accordance with the ASA, the Company will credit customers 75 percent of the Storm Net Revenue received by the Company.

$$\text{SNRF} = \frac{\text{SNR} \times 75\%}{\text{Dt}_T}$$

Where:

SNR The proceeds received or cost reductions achieved for base labor and non-incremental labor overhead costs on all labor (i.e., not just base labor) charged for storm restoration services provided to other utilities, whether affiliated or non-affiliated, less an amount equal to 55.18 percent, which is the labor capitalization rate set in the Company's general rate case.

Dt_T Forecasted annual firm throughput

DISTRIBUTION ADJUSTMENT CLAUSE

4.0 DEFERRED DISTRIBUTION ADJUSTMENT COST ACCOUNT:

The Distribution Adjustment Cost Account shall include annual reconciliation for the twelve month period for the revenues and costs for the System Pressure factor, ISR factor, Environmental Response Costs factor, Pension Adjustment factor, SQP factor, RDA factor, ESM factor, AMAF, LIDRF, SNRF, and a Previous Reconciliation factor, including a true-up for any prior year's forecasted revenues and costs. Base rate related items (Pension Adjustment factor and Environmental Response Cost factor) will be reconciled only for those non-Revenue Decoupling rate classes (Large and Extra Large high load and low load factor rate classes). For each reconciliation component, a monthly rate based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning and ending balance shall also apply.

5.0 EARNINGS SHARING MECHANISM:

The Earnings Sharing Mechanism Credit ("ESMC") will be filed on May 1 and will reflect a 12-month period ending December 31. For purposes of calculating earnings to be shared, the Company will be allowed to include its 50% share of net merger synergies resulting from the National Grid/KeySpan transactions, or \$2,450,000. Calculation of the ESMC is as follows:

$$\text{ESMC} = \frac{\text{ESMF}}{\text{Dt}_T}$$

Where:

ESMF Earnings Sharing Mechanism Fund is defined as customers' share of earnings subject to sharing and will be based on the return on equity authorized by the PUC in a general rate case or as otherwise authorized by the PUC. For FY 18, the annual earnings over 9.5% return on equity, up to and including 100 basis points, being shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.5% return on equity shall be shared 75% to customers and 25% to the Company. For all subsequent ESMC, the annual earnings over 9.275% return on equity, and up to and including 100 basis points (i.e., 10.275%), will be shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.275% return on equity (i.e., exceeding 10.275%) shall be shared 75% to customers and 25% to the Company. The Company's share of any shared earnings will be retained by Company and not reflected in any earnings report.

Dt_T Forecasted annual firm throughput

RESIDENTIAL NON-HEATING
RATE 10

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Distribution Charge:	\$ 0.5456 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

RESIDENTIAL NON-HEATING
RATE 10

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

LOW INCOME RESIDENTIAL NON-HEATING
RATE 11

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter. Eligible customers must meet both of the following criteria:

1. Must be the head of a household or principal wage earner.
2. Must be presently receiving supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by forms provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

<u>September 1, 2018</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5456 per Therm
<u>September 1, 2019</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm
<u>September 1, 2020</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

**LOW INCOME RESIDENTIAL NON-HEATING
RATE 11**

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

RESIDENTIAL HEATING
RATE 12

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

RESIDENTIAL HEATING
RATE 12

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

LOW INCOME RESIDENTIAL HEATING
RATE 13

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or less units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment. Eligible customers must meet both of the following criteria:

1. Must be head of a household or principal wage earner.
2. Must be presently receiving Supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by form provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

LOW INCOME RESIDENTIAL HEATING
RATE 13

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

C&I SMALL
RATE 21

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or less than 5,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.4852 per Therm
Off Peak Distribution Charge:	\$0.4284 per Therm

September 1, 2019

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5101 per Therm
Off Peak Distribution Charge:	\$0.4503 per Therm

September 1, 2020

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5232 per Therm
Off Peak Distribution Charge:	\$0.4619 per Therm

MINIMUM CHARGE:

Customer Charge per month.

C&I SMALL
RATE 21

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I MEDIUM
RATE 22

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 5,000 Therms, but less than or equal to 35,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2484 per Therm

September 1, 2019

Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2642 per Therm

C&I MEDIUM
RATE 22

September 1, 2020

Customer Charge: \$85.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2725 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

The Narragansett Electric Company
d/b/a ~~National Grid~~ Rhode Island Energy
RIPUC ~~NGRIE~~-GAS No. 101

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C&I MEDIUM
RATE 22

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I LARGE HIGH LOAD FACTOR USE
RATE 23

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.1617 per Therm

September 1, 2019

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I LARGE HIGH LOAD FACTOR USE
RATE 23

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1715 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1767 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

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d/b/a ~~National Grid~~Rhode Island Energy
RIPUC ~~NGRIE~~-GAS No. 101

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C&I LARGE HIGH LOAD FACTOR USE
RATE 23

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.0369 per Therm

September 1, 2019

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0410 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0433 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

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RIPUC ~~NGRIE~~-GAS No. 101

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C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I LARGE LOW LOAD FACTOR USE
RATE 33

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the off-peak and annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$200.00 per month
Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2429 per Therm

September 1, 2019

Customer Charge: \$200.00 per month
Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

C&I LARGE LOW LOAD FACTOR USE
RATE 33

Distribution Charge: \$0.2569 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2643 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

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d/b/a ~~National Grid~~ Rhode Island Energy
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C&I LARGE LOW LOAD FACTOR USE
RATE 33

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I EXTRA LARGE LOW LOAD FACTOR USE
RATE 34

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$500.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.0421 per Therm

September 1, 2019

Customer Charge: \$500.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I EXTRA LARGE LOW LOAD FACTOR USE

RATE 34

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0478 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0508 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

C&I EXTRA LARGE LOW LOAD FACTOR USE
RATE 34

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

NON-FIRM SALES (NFS) SERVICE
RATE 60

1.0 AVAILABILITY:

Non-firm sales service is grandfathered as of July 1, 2009 and will no longer be offered to any customer, except that any non-firm sales customer as of that date will be able to continue the service until such time that the non-firm sales customer decides to change to firm service or obtain non-firm transportation service and purchase natural gas from a Marketer. Such customers are non-residential customers with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who use gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintain adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas is not available under this Schedule.

2.0 RATES:

Non-firm Sales (NFS) service rates shall be set for the upcoming month, no later than 10:30 a.m. ten (10) business days prior to the commencement of that month. The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take NFS service, and must provide a reasonable estimate of natural gas expected to be used for the month.

Customer Charges will be determined as follows:

1. For those Customers who can potentially consume more than 150,000 Therms per year:
 - \$625 per month, per customer
2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:
 - \$405 per month, per customer
3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:
 - \$185 per month, per customer

NON-FIRM SALES (NFS) SERVICE

RATE 60

The Distribution Charge applicable to all gas delivered to a NFS service customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
$> 150,000$ therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

The Company will provide the Customer with an initial mid-month estimate of the commodity charge based on 110% of the sum of the NYMEX closing price on the eleventh business day prior to the start of the month and a publicly available forward basis for gas supply delivered to the Northeastern US. The forward basis will be the Transco Zone 6 Basis Swap (based on the Platts IFERC basis swap obtained from the NYMEX), or a publicly traded forward basis for supply delivered to the Company's city gate (should one become available), or such other publicly available traded basis for supply delivered to the Northeastern U.S. should the Transco Zone 6 Basis Swap become unavailable. The Company will recalculate the commodity charge based upon the NYMEX settled price and a publicly available forward basis for gas supply delivered to the Northeastern US. The Customer shall be charged the higher of the recalculated rate or the initial mid-month estimate.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month. Under no circumstances shall the NFS Commodity Charge be less than the cost of the incremental supply available to the Company for the month, adjusted for the Company's Fuel Allowance.

NON-FIRM SALES (NFS) SERVICE
RATE 60

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for the Company to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

6.0 FAILURE TO CURTAIL:

For any period that the Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized," shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

7.0 METER TEST:

Customers will receive the results of periodic calibration tests performed by the Company on the meters installed on their premises. Meters will be deemed unacceptable if these tests show an error greater than +/-1%. Meters will also be deemed unacceptable, no matter what their error, if the results of three successive tests are consistently high or low. Meters will measure gas flow rates corrected to 60° F gas.

NON-FIRM SALES (NFS) SERVICE
RATE 60

8.0 TELEMETERING:

Wireless communications or telemetering equipment is required for those customers who wish to avail themselves of this service, as identified in Section 1, Schedule A, Item 12.0.

9.0 NON-FIRM TRANSPORTATION SERVICE OPTION:

The Company will also offer, during the winter months, limited NFS and non-firm transportation (NFT) service for customers on a “best efforts” basis. If a Customer buying gas under this rate schedule opts to directly arrange for the acquisition of wellhead gas supplies, and the transportation of those wellhead gas supplies to the Company’s gate stations, then the Company will transport, subject to available capacity, such directly acquired gas to the Customer’s facilities. Rates and conditions for such transportation service are included in the Company’s Non-Firm Transportation (NFT) Service in Section 6, Schedule A of RIPUC NG 101.

10.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

11.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

12.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

13.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

14.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

TRANSITION SALES SERVICE
TSS

1.0 AVAILABILITY:

Transitional Sales Service (TSS) shall apply to Customers subject to the Transportation Terms and Conditions. The Company's General Terms and Conditions will govern this Service to the extent not consistent herewith.

TSS is not available to Capacity Exempt Customers.

The Company reserves the right to restrict the availability of this service if the Company determines that the integrity of the distribution system is at risk.

2.0 GENERAL CONDITIONS:

TSS is provided by the Company to Customers switching from transportation service to firm sales service. TSS is available to Customers who meet the requirements above, and (a) who terminate transportation service, (b) who receive a termination notice from a designated Marketer, or (c) for whom a designated Marketer becomes ineligible to serve the Customer.

All Customers transferring to firm sales service from firm transportation service, either from FT-1 service or FT-2 service, and who have received an assignment of the Company's interstate pipeline capacity while on firm transportation service immediately prior to their transfer back to firm sales service, will be subject to the provisions of this rate schedule in addition to the provisions of the Company's applicable firm sales service rate schedules.

3.0 TERM:

For each Customer who transfers to firm sales service from FT-1 transportation service, TSS will be applicable to firm sales service provided to the Customer through the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

For each Customer transferring to firm sales service from FT-2 transportation service, TSS will be applicable to firm sales service provided to the Customer through the end of the Customer's first billing cycle subsequent to the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After the end of the first billing cycle after April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

TRANSITION SALES SERVICE
TSS

4.0 SURCHARGE:

Each Customer receiving TSS will be subject to a monthly surcharge during the term the Customer receives TSS, unless a Customer, prior to their return to the Company for gas supply, enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. If such an agreement is executed, the Customer will not be subject to the TSS surcharge. The TSS surcharge is designed to charge a market-based price reflecting the cost of gas supplies in the marketplace at the time consumption is occurring for the incremental amount of gas that the Company must purchase over and above the quantities of gas procured for firm sales customers under the provisions of the Company's Gas Procurement Incentive Plan ("GPIP"). The surcharge will reflect any positive difference between the GPIP cost of gas for the month in which gas is supplied and a market-based gas price for the same month. This surcharge shall apply to all firm sales service consumption of Customers switching from firm transportation service subsequent to April 30 of each year, with the exception of those Customers committing to remain on firm sales service for a period of at least 12 months as described above.

4.1 Calculation:

The surcharge for Customers who switch to firm sales service from firm transportation service shall be computed as follows:

IF
 $\{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{TM})] \} - R_{GCR} \text{ is } > 0,$

THEN:
 $TSS = \{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{TM})] \} - R_{GCR}$

OTHERWISE:

$TSS = 0$

Where:

TSS Transitional Sales Service monthly surcharge.

NYMEX_M The NYMEX closing price for month M.

GPIP_M Average cost of gas purchased under the GPIP for month M.

TRANSITION SALES SERVICE
TSS

GPIP _{QM}	The Total Quantity of GPIP purchases for month M.
Dt _M	Total forecasted sales for month M underlying the GPIP.
R _{GCR}	The per Dt Deferred Gas Cost Reconciliation reflected in the current GCR charge.

TSS surcharges will be calculated monthly. Supporting calculations for all components of the applicable surcharges will be posted on the Company's website by the second business day of each month. In addition, supporting workpapers shall be submitted to the PUC and the Division simultaneously with the posting on the Company's website.

5.0 STORAGE AND PEAKING:

FT-1 firm transportation service Customers eligible for TSS who transfer to firm sales service will be subject to a Storage and Peaking charge for recovery of Storage and Peaking costs. Such charge will be calculated at the time the FT-1 Customer transfers to firm sales service based on the Customer's actual consumption as a FT-1 Customer since the most recent April 1, multiplied by the currently effective FT-2 Demand Charge provided in the Company's most recently approved GCR filing.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

1.0 AVAILABILITY:

For any non-residential customer with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the Customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who uses gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintains adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas transportation is not available under this Schedule.

This rate is available to any Customer who has, without the assistance of the Company or the use of its facilities or dedicated pipeline capacity, arranged for the acquisition and transportation of gas supplies to the Company's gate stations, has executed a Transportation Service Application, has designated on such Application a Marketer as required under the Transportation Terms and Conditions in Section 6, Schedule C, and who meets the following additional criteria:

- A. The Customer must have telemetering equipment in place.
- B. The Customer agrees to discontinue service, when in the sole discretion of the Company, such discontinuance is necessary in order to continue to serve the needs of firm customers at such time. The Company will attempt to give three (3) working days' notice of such action except in the event of emergency, when at least one hour's notice will be given.

Any gas consumed during a requested discontinuance, whether authorized or unauthorized, shall be provided by the Company and not a third party supplier or Marketer of record.

2.0 RATE:

The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of any change in gas marketer.

Customer Charge will be determined as follows:

- 1. For those Customers who can potentially consume more than 150,000 Therms per year:

- \$625 per month, per customer.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:

- \$405 per month, per customer

3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:

- \$185 per month, per customer

Distribution Charge:

The Distribution Charge applicable to all gas delivered to a NFT service Customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
$> 150,000$ therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month.

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Company's Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

NON-FIRM TRANSPORTATION (NFT) SERVICE
RATE 61

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

6.0 TELEMETERING EQUIPMENT:

Telemetering equipment is required. The customer may have access to the telemetering equipment for data gathering and transmission, as identified in Section 1, Schedule A, Item 12.0.

7.0 NFT CUSTOMER USE OF GAS:

A NFT customer that elects to use gas from the Company for any reason shall receive Default Transportation Service and be charged the rate applicable to such service as set forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.04, for the first month of service and shall pay the Non-Firm unauthorized use rate as forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.05, for all additional months.

8.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

9.0 FAILURE TO CURTAIL:

For any period that a Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company

NON-FIRM TRANSPORTATION (NFT) SERVICE
RATE 61

from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized", shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

10.0 GAS BALANCING NOMINATION/AGGREGATION:

Refer to the Transportation Terms and Conditions, Section 6, Schedule C.

11.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

12.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

13.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

14.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

15.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

FIRM TRANSPORTATION SERVICE

1.0 AVAILABILITY:

Firm Transportation Service is available to any Commercial and Industrial customer account who:

- (1) is classified as Small, Medium, Large, or Extra Large pursuant to Section 5, Schedule A, B, C, D, E, and F; and,
- (2) elects to purchase gas supplies from a Marketer through the execution of a Transportation Service Application pursuant to the Transportation Terms and Conditions, Section 6, Schedule C.

2.0 CHARACTER OF SERVICE:

Firm Transportation Service provides for the transportation of gas supplies purchased by a customer from a Marketer on a firm 365 days per year basis. Service is classified as either Firm Transportation Service FT-1 or Firm Transportation Service FT-2 as follows:

- FT-1 This service provides firm transportation of customer-purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Customer's Point of Delivery. This service is available only to Large and Extra Large Commercial and Industrial customers.
- FT-2 This service provides firm transportation of customer-purchased gas supplies to customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. This service is available to all Commercial and Industrial customers.

Also refer to the Transportation Terms and Conditions, Section 6, Schedule C, Items 2.0 and 3.0 for additional information.

3.0 RATES:

Specific rates billable by the Company to the Customer are those applicable under the Customer's service classification as provided for in Section 5, Schedules A, B, C, D, E, or F. For customers electing FT-1 Service, a one-time charge associated with the installation of telemetering equipment may also apply as provided for under the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.02.0.

Rates associated with Firm Transportation Service which is billable to Marketers are those applicable under the Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time.

FIRM TRANSPORTATION SERVICE

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Transportation Terms and Conditions in Section 6, Schedule C, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of the Schedule.

5.0 GENERAL RULES AND REGULATIONS:

Firm Transportation Service will also be governed by the Company's General Terms and Conditions to the extent not inconsistent herewith.

TRANSPORTATION TERMS AND CONDITIONS

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TRANSPORTATION TERMS AND CONDITIONS

1.0 GENERAL:

These terms and conditions apply to those Commercial and Industrial customers classified as Small, Medium, Large, Extra Large, or Non-firm who purchase gas supplies from sources other than the Company for transportation service by the Company pursuant to Section 5, Schedule A, B, C, D, E, and F, and Section 6, Schedule A, as well as to any Marketers designated to act on the customer's behalf pursuant to a Transportation Service Application and executing a Marketer Aggregation Pool Service Agreement. Any FT-1 customers classified as Medium at the time the access to FT-1 service for Medium customers was discontinued or any Customers reclassified as Medium based on their reduction in load will be grandfathered and allowed to continue receiving service under the FT-1 rate schedule. Transportation service will also be governed by the Company's General Terms and Conditions of Service to the extent not inconsistent herewith.

The Company reserves the right to restrict the availability of Transportation Service should the number of customers exceed the capability of the Company to reliably administer the service or if the integrity of the distribution system is put at risk.

If a Customer requesting service hereunder has been a sales service customer of the Company at the same service location within the preceding twelve month period, any under-recovered or over-recovered gas costs attributable to such prior service under the Gas Cost Recovery Clause in Section 2, Schedule A, Section 9.0 shall be determined and charged by the Customer or credited to the Customer's account.

1.01.0 TERM OF SERVICE:

1.01.1 FT-1 Transportation Service:

FT-1 Transportation Service will commence on the first day of a calendar month subject to satisfying the Company's Transportation Terms and Conditions and be for an initial term of up to one year to reflect a common anniversary of November 1. Service shall continue thereafter on a year-to-year basis, unless terminated by the Customer, Marketer or the Company, effective with the Customer's next billing cycle, upon at least thirty (30) days advance notice, either by written notice or the appropriate EDI transmission, to the Company. The Marketer shall be responsible for providing the Company with an executed Transportation Service Application for each new FT-1 customer account being added to its FT-1 Aggregation Pool no less than thirty (30) days prior to commencement of service. The Company's receipt of the Transportation Service Application initiates the thirty (30) day notice period. Existing FT-1 service customers may be switched to another Marketer by using an EDI enrollment transaction.

TRANSPORTATION TERMS AND CONDITIONS

1.01.2 FT-2 Transportation Service:

FT-2 Transportation Service will commence on the first day of a Customer's billing cycle subject to satisfying the Company's Transportation Terms and Conditions. Service shall continue thereafter on a year-to-year basis unless terminated by the Customer, Marketer, or the Company, effective with the Customer's next billing cycle, upon at least fifteen (15) days advance written notice to the Company. The Marketer shall be responsible for providing the Company with an EDI enrollment for each Customer being added to its FT-2 Aggregation Pool no less than fifteen (15) days prior to commencement of service.

1.01.3 Non-Firm Transportation (NFT) Service:

Customers classified as Non-Firm Transportation (NFT) will be able to commence transportation as of the first (1st) of any calendar month subject to meeting the nomination requirements established in Item 1.03 following and having submitted to the Company an executed Transportation Service Application.

A Customer's designation as NFS or NFT shall remain in effect until the Company is notified of a further change. Such notice is required by 9 a.m. two (2) business days before the start of the calendar month when such change is to take effect. Switching to or initiating transportation service mid-month is generally not allowed.

1.02.0 Designation Of Marketer:

1.02.1 Firm Transportation:

Customers wishing to switch Marketers will be allowed to do so at the start of a calendar month in the case of FT-1 Service, or at the start of a Customer's billing cycle in the case of FT-2 Service. For new FT-1 Service, the Customer and the new Marketer shall execute a new Transportation Service Application listing the new Marketer as their designated Marketer and forward that document to the Company for processing. For FT-2 Service, the Marketer will contact the Company through electronic data interchange (EDI) to initiate service with the customer account number being the validation. In the event of a dispute over the enrollment of a customer, the Marketer will be required to provide proof of authorization by the customer. This can be in the form of a signed agreement with the customer, audio recording of the customer's agreement/or authorization or an electronically recorded authorization. The Marketer is required to retain such proof for a minimum of two years or for the length of the service agreement, whichever is longer. The Company must receive the new Transportation Service Application or EDI transmittal at least thirty (30) days prior to the change in the case of FT-1 Service, and at least fifteen (15) days prior to the customer's meter read in the case of FT-2 Service. For an FT-1 Service customer without a capacity assignment from the Company, see Item 1.07

TRANSPORTATION TERMS AND CONDITIONS

below, the Company must be notified of such change by 9 a.m. at least two (2) business days before the start of the calendar month. The Company will not accept a Transportation Service Application which designates a Marketer that has not executed an Aggregation Pool Service Agreement.

If the Company receives more than one Transportation Service Application for the same FT-1 customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

The Company will notify the Marketer of record via an EDI drop transaction in the event that a customer account assigned to the Marketer's Aggregation Pool is terminated.

Marketer must provide the Company with (30) days' advance notice in the event that the Marketer terminates service to a Customer in its Aggregation Pool.

Customers not subject to Default Transportation Service in Item 2.04 below, may return to sales service with at least thirty (30) days' advance notice, subject to availability, in the Company's sole discretion, of adequate gas transmission, gas supply and/or gas storage capability, and subject to the Company's Transitional Sales Service Rate, Section 5 Schedule H, of the Commercial and Industrial Services.

These provisions for switching Marketers or returning to Sales Service do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

1.02.2 Non-Firm Transportation:

Switching Marketers is allowed at the start of any calendar month with the provision that the Company receive the Customer's Transportation Service Application designating the effective Marketer by 9 a.m. at least two (2) business days before the start of the month for which the switch is effective.

These provisions for switching Marketers do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

If the Company receives more than one Transportation Service Application for the same customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

TRANSPORTATION TERMS AND CONDITIONS

1.03.0 Nominations:

1.03.1 General:

Marketer shall provide notice via the Company's Electronic Bulletin Board (EBB) the required information relative to Shipper and Transporting Pipeline names and contract number(s) on which deliveries will be made and the specified quantity of gas that Marketer will deliver to the Point(s) of Receipt on each day of the calendar month. Marketer is required to have separate nomination names and contract numbers for each of Marketer's Aggregation Pools. Additional information may be required by the Company. The Company will host an annual post-winter meeting with all Suppliers to discuss any proposed changes to the transportation program and the related requirements.

1.03.2 Dispatch Communication:

All nomination information shall be communicated to the Company's Gas Control Supply Operations Department via the Company's EBB. Marketer shall be responsible for monitoring the EBB 24 hours per day, seven days per week for dispatch purposes. In the event that the Company is unable to contact a Marketer regarding any nomination or dispatch, the Company may take any action it deems necessary to maintain system integrity as otherwise outlined in the General Terms and Conditions.

1.03.3 Initial Nominations:

The Nomination terms for FT-1 and NFT Service for deliveries to commence service on the first day of any calendar month will be submitted to the Company not later than the initial nomination deadline of the upstream Transporting Pipeline(s) transporting gas for Marketer. Such nominations will specify the quantity to be scheduled on each day of the month. The nomination requirements for FT-2 Service are described in Item 3.03 below.

As a condition of confirming any nomination, Company may direct Marketer to have gas delivered to an alternate Point of Receipt on the same Transporting Pipeline. Upon receipt of such directions, Marketer will arrange with the Transporting Pipeline to have gas delivered to the Point of Receipt designated by Company. Such alternate point of Receipt will remain the Point of Receipt for Marketer's gas for the period stated by the Company in its instructions until Company directs Marketer otherwise.

TRANSPORTATION TERMS AND CONDITIONS

1.03.4 Subsequent Nominations:

After the first day of the calendar month, Marketer may alter its nomination, provided that the revised nomination for delivery on any day is submitted to Company's EBB in accordance with the NAESB inter-day nomination schedule. The Company will accept on a best-efforts basis, an intra-day nomination submitted to the company's EBB up until 8:00 AM of the end of the gas day.

1.03.5 Intra-Day Nominations:

For daily metered Aggregation Pools, the Company will accept and implement, on a best-efforts basis, an intra-day nomination submitted to the Company's EBB following NAESB time lines.

One (1) such nomination per gas day shall be accepted subject to confirmation by the Transporting Pipeline.

1.03.6 Scheduling of Service:

Company will attempt to confirm with Transporting Pipeline(s) that the nominated quantities equal the Scheduled Transportation Quantity. If such nomination is confirmed, the Company will schedule said quantities to the Marketer at the designated Point of Receipt(s).

If Marketer is purchasing gas at the Company's city gate, they are responsible for identifying the original delivering contract number, Shipper and any additional title transfers.

If Marketer's nominations on the Company's Electronic Bulletin Board are not consistent with nominations on Transporting Pipeline, then the smaller of the two nominations shall prevail, and all associated balancing and penalty assessments shall be based on the smaller nomination.

1.04.0 Protection Of System Operations:

1.04.1 Company Operational Flow Order (OFO):

Service hereunder may be limited as provided in the Company's General Terms and Conditions. Further, in the event that the Company determines in its sole judgment that it must take prompt action in order to maintain system integrity or to ensure Company's continued ability to provide service to its firm customers, the Company may declare a Critical Day or issue an OFO. In addition to the OFOs listed below, the Company shall have the right to issue any other OFO reasonably intended to

TRANSPORTATION TERMS AND CONDITIONS

serve the above stated purpose. The Company may take any one or more of the following actions:

- (1) declare a Critical Day which would require Marketer to fully utilize upstream capacity that it received from Company through Capacity Release; and require Marketer to fully schedule storage resources allocated as part of FT-2 Service, i.e., up to the MDQ-U, prior to relying on peaking resources to the extent they are needed to meet their customer's demands;
- (2) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess receipts; and
- (3) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess takes.

When the Company issues an Operational Flow Order it will issue a notice to Marketers and state in the notice the balancing tolerances that will be in effect and, to the extent practicable, provide information on the cause and expected duration of the OFO. In addition, where the Company's need to issue an OFO is the result of its receipt of a notice of any kind from any of its pipeline transportation, storage, or peaking service providers, the Company will include that information in the notice and, to the extent possible, coordinate the duration and terms of its OFO with those of the service provider. Such an attempt to coordinate its OFO with those of its service providers will be based on the Company's sole discretion and such coordination will not limit the Company's ability to impose different terms or to continue or terminate its OFO at a time different from its service provider(s).

1.04.2 Pipeline Operational Flow Order:

If, at any time, an immediate upstream pipeline issues an order changing the requirements at the Point(s) of Receipt, then Company may so notify Marketer and direct Marketer to modify requirements at the Point(s) of Receipt to the extent necessary for Company to comply with the pipeline's order. Marketer will be responsible for coordinating with their customers regarding any necessary change to Customer's quantity of Gas Usage.

1.04.3 Marketer Responsibility:

In the event Company takes action to alleviate excess imbalances it will nonetheless remain the obligation of Marketer to make such further adjustments to nominations, both to Company, Shipper, and to Transporting Pipeline, during the remainder of the month to resolve accumulated imbalances or to account for subsequent changes in actual deliveries. Company's exercise of its authority under this section will have no effect on Marketer's liability for unauthorized overrun or imbalance penalties that

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apply to Marketer under this tariff or any similar charge, including scheduling penalties, imposed by any upstream Transporting Pipeline(s).

An operational flow order may be issued by the Company as a blanket order to all transportation customers, or to individual Marketer's Aggregation Pools, whose actions are determined by the Company to jeopardize system integrity.

For Critical Days or OFO's aggravated by under-delivery, the Marketer will be charged a penalty of 5 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 102% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 0.1 times the Daily Index for the differences between said receipts and said usage that exceed 20% of said receipts $[(\text{Receipts} - \text{Usage}) > (20\% \times \text{Receipts})]$.

For Critical Days or OFO's aggravated by over-delivery, the Marketer will be charged a penalty of 0.1 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 120% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 5 times the Daily Index for the differences between said receipts and said usage that exceed 2% of said receipts $[(\text{Receipts} - \text{Usage}) > (2\% \times \text{Receipts})]$.

1.05.0 Unauthorized Use:

In the event the Company provides a Marketer with as much notice as Company deems practicable of an Operational Flow Order per Item 1.04.0 or other curtailment of service and thereby reduces the Scheduled Transportation Quantity for delivery, the total Gas Usage by the Customer may not exceed the revised Scheduled Transportation Quantity. If, on any Gas Day, after notice of curtailment, the quantity of gas taken by Marketer's Customers in an Aggregation Pool, exclusive of NFT customers whose use under a curtailment is covered in Item 4.04 below, exceeds Marketer's Scheduled Transportation Quantity as so revised for the Aggregation Pool, and the Company has not authorized such excess quantity, then all such Gas Usage constitutes Unauthorized Use and is subject to an overrun penalty for each Dekatherm not delivered of five (5) times the Daily Index. Such charges will be billed to the Marketer's account.

1.06.0 Shipper And Transporting Pipeline Requirements:

Marketers must deliver a minimum of forty percent (40%) of total daily pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) on each of the upstream pipelines: Algonquin Gas Transmission ("Algonquin") and Tennessee Gas Pipeline ("Tennessee"). The remaining twenty percent (20%) of total daily

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pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) may be delivered on either or both Algonquin or Tennessee.

Marketer warrants with respect to each Aggregation Pool that it has entered into the necessary agreements for the purchase and delivery of a gas supply to the Point of Receipt which it wants Company to transport and that it has entered into the necessary transportation agreements for the delivery of gas supply to the Point of Receipt. Marketer acknowledges that it must arrange for the delivery of Actual Transportation Quantities to the Company sufficient to include both the Scheduled Transportation Quantities and the applicable Company Fuel Adjustments.

In addition, Marketer warrants that at the time of delivery of its gas supply to the Point of Receipt, Marketer shall have good title to such gas, free of all liens, encumbrances and claims whatsoever. Marketer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damage, costs, losses and expenses arising from or out of any adverse legal claims of third parties to or against said gas supply.

1.07.0 Capacity Release:

Each Marketer serving any Customer migrating from (i) Firm Sales Service to FT-1 or FT-2 Transportation Service or (ii) another Marketer's Aggregation Pool where they were previously assigned pipeline capacity by the Company, will be required to accept, for each such Customer account, an assignment of a portion of Company's firm interstate pipeline transportation capacity at maximum rates for an initial term of up to one year.

The Company shall determine the quantity to be released based on the customer's calculated Peak Day Use and load factor rate class. The Company will separately calculate assignment percentages for high load factor rate classes and low load factor rate classes eligible for transportation for pipeline, storage and peaking. It will then multiply the pipeline percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer. The pipeline, storage and peaking allocation percentages will then be provided in the Company's annual Gas Cost Recovery filing.

The Company will provide Marketers with the calculated base and thermal factors used to estimate each customer's peak day use. The factors are provided based on the results of the Company's application of the specific methodology in this tariff and certain historical data. Marketers may not assume that use of the factors will yield correct estimates of any customer's use for any future period or that the capacity provided as a result of the calculation will meet the customer's requirements under all conditions.

The quantity of capacity shall be set forth in the confirmation materials provided to the Marketer. For all Customers classified as Small, Medium, Large, or Extra-Large, this quantity will be reviewed annually against the Customer's most recent usage patterns. Any

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change in Customer's required capacity will be reflected in a revised capacity release with the Marketer for effect on the following November 1. In the event that a Marketer stops delivering gas on behalf of an existing capacity exempt customer, the customer will be prohibited from taking firm Company sales service. Such customers will receive Default Transportation Service as described in Item 2.04.0 below.

Marketer shall be required to execute a Capacity Assignment Agreement at the time a Marketer establishes an Aggregation Pool or any other instruments reasonably required by Company or interstate pipeline necessary to effectuate such assignment. Marketer is responsible for utilizing and paying for the assigned capacity consistent with the terms and conditions of the interstate pipeline's tariffs and this tariff. Pipeline capacity shall be released by the Company to the Marketer, at the maximum tariff rate or lesser rate paid by the Company and including all surcharges, through pre-arranged capacity releases, pursuant to applicable laws and regulations and the terms of the governing tariffs. Marketer is responsible for payment of all upstream pipeline charges associated with the assigned firm transportation capacity, including but not limited to demand and commodity charges, shrinkage, GRI charges, cash outs, transition costs, pipeline overrun charges, annual change adjustments and all other applicable charges. These charges will be billed directly to the Marketer by the interstate pipeline.

All Capacity Assignments for FT-1 Transportation Service will be effective with the commencement of service. Capacity Assignments for FT-2 Customers will be effective the first of the upcoming month for Transportation Service Applications received prior to the tenth. For FT-2 Service, EDI enrollments received on or after the tenth of the month, the capacity release will not be effective until the first of the month subsequent to the upcoming month.

Capacity Assignments will be effective for an initial term of up to one year through the following November 1. Capacity Assignments shall be reviewed each November 1 and be subject to annual adjustment as described above. The new capacity assignment percentages, along with the storage maximum daily quantities and maximum storage quantities in section 3.02.2, will be available on the Company's EBB. All releases hereunder will be subject to recall under the following conditions: (1) when required to preserve the integrity of the Company's facilities and service; (2) at the Company's option, whenever the Marketer fails to deliver gas in an amount equal to the Scheduled Transportation Quantity; and (3) any other conditions set forth in the capacity release transaction between the Marketer and the Company.

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Each Marketer's capacity assignment associated with Customers in an aggregation pool shall be reviewed on a monthly basis prior to the tenth (10th) calendar day of the month, and

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adjusted to reflect any net changes resulting from the addition and deletion of customers to the pool.

1.07.1 Capacity Exemption for New Firm Loads:

New Customers requesting firm service that are classified as Large or Extra-Large and electing FT-1 transportation service will not be required to take assignment of the Company's capacity resources as described in 1.07.0 above and must notify the Company in writing of its intent to be Capacity Exempt. The New Customer must also initiate gas supply service from a Marketer within 60 days after the start of distribution service. In the event that the New Customer does not obtain a Marketer within 60 days of the commencement of distribution service, the Customer will be prohibited from receiving Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. Customers who fail to meet the minimum requirement for the Large classification shall be required to take assignment of the Company's capacity resources after no less than 60 days' notice. Marketers for such customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will be based on the customer's location, load characteristics and distribution system requirements.

In the event that a Marketer stops delivering gas on behalf of a customer without Company assigned pipeline capacity, the customer will be prohibited from taking firm Company sales service. Such customers shall receive and be billed for Default Transportation Service as described in Item 2.04.0 below.

1.07.2 Capacity Exemption for Non-Firm Customers Converting to Firm Service:

Non-Firm Sales and Non-Firm Transportation Customers classified as Large or Extra-Large who have been approved by the Company to receive firm distribution service and have elected FT-1 transportation service must, no later than 90 days' notice before the commencement of distribution service, either (i) request in writing a Capacity Assignment from the Company, or (ii) notify the Company in writing of its intent to retain its Capacity Exempt status. In the event that a Customer who has requested to retain its Capacity Exempt status but does not have a Marketer at the time the Customer begins receiving firm distribution service, the Customer will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. To qualify for Capacity Exempt status, Marketers for such Customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will

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be based on the Customer's location, load characteristics, and distribution system requirements. For those Non-Firm Customers converting to firm distribution service and requesting an assignment of the Company's pipeline capacity, the Company must respond in writing within 30 days regarding the availability of pipeline capacity. If the Company is not able to provide a capacity assignment, the Customer will retain its Capacity Exempt status and will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

In the event that a Marketer stops delivering gas on behalf of a Customer who does not have an assignment of the Company's pipeline capacity, the Customer will be prohibited from taking Company-supplied firm sales service. If the Customer is unable to secure a gas supply from a Marketer, the customer will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

1.08.0 Facilities:

The Company shall own, operate and maintain, at its expense, its gas distribution facilities to the Point of Delivery. The Customer shall furnish, maintain and operate the facilities required between Company's Point of Delivery and the Customer's equipment.

1.9.0 Quality:

Marketer is responsible for insuring that all gas received, transported and delivered hereunder to the Point of Receipt meets the quality specifications and standards outlined in the General Terms and Conditions of the Transporting Pipeline's FERC Gas Tariff.

1.10.0 Possession of Gas:

Company shall be deemed to be in control and possession of transportation gas to be delivered in accordance with this service from receipt at the Point(s) of Receipt until it shall have been delivered to Customer at the Point of Delivery. Marketer shall be deemed to be in possession and control of the gas prior to such receipt by the Company and Customer shall be deemed to be in control and possession of transportation gas after such delivery by the Company to the Point of Delivery. Company shall have no responsibility with respect to such gas before it passes the Point of Receipt or after it passes such Point of Delivery or on account of anything which may be done, happen or arise with respect to such gas after Point of Delivery.

1.11.0 Provision of Future Taxes, Surcharges Fees, Etc.:

In the event a tax of any kind is imposed or removed by any government authority upon the sale or transportation of gas or upon the gross revenues derived therefrom (exclusive, however, of taxes based on Company's net income), the rate for service to Customer and/or

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Marketer, as the Company deems appropriate, shall be adjusted by an amount equal to or otherwise properly reflecting said tax. Similarly, the effective rate for service hereunder shall be adjusted to reflect any refund or imposition of any surcharges or penalties applicable to service hereunder which are imposed or authorized by any governmental authority.

1.12.0 Retention of Pipeline Fuel Adjustment:

The Company shall retain in kind, from the quantities of gas actually delivered to the Point(s) of Receipt for Marketers' accounts, the amount thereof equal to the applicable Company Fuel Allowance. Such Company Fuel Allowance shall be calculated by the Company based upon an average of the Company's most recent five (5) years' experience, fuel loss and unaccounted for or similar quantity based adjustments.

1.13.0 Limitations of Liability:

The liability of the Company shall be limited in accordance with the provisions of the Company's General Terms and Conditions.

1.14.0 Force Majeure:

Neither Company nor Marketer shall be liable to the other or to Customer for delays or interruptions in performing their respective obligations hereunder arising from any acts, delays or failure to act on the part of, or compliance by Marketer or Company with any operating standard imposed by any governmental authority, or by reason of an act of God, accident or disruption, including without limit, strikes or equipment failures, or any other reason beyond Marketer's or Company's control, provided, however, in the event of an occurrence of one or more of the foregoing events, reasonable diligence shall be used to overcome such event. The party claiming force majeure shall, on request, provide the other party with a detailed written explanation thereof, and of the remedy being undertaken.

1.15.0 Electronic Data Interchange (EDI):

The Company will require use of EDI for all transactions associated with account administration, usage and billing, and payments for the FT-2 service. The transactions requiring EDI communication are enrollments, drops, adjustments and historical usage. EDI will also be available for requesting historical usage, switching and drops for FT-1 accounts. The detail information on EDI processing is available to Marketers on request. All Marketer EDI transaction sets will be tested prior to operational implementation.

2.0 FT-1 TRANSPORTATION SERVICE:

2.01.0 Character of Service:

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This service provides firm, 365 day transportation of Customer purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Point of Delivery. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer shall assign Customer to an Aggregation Pool with other Customers electing FT-1 or NFT service or establish a one-customer Aggregation Pool and execute an appropriate Marketer Aggregation Pool Service Agreement. Specific Marketer requirements and obligations are described in Item 5.0 below.

2.02.0 Telemetering:

For purposes of FT-1 transportation service and NFT service, the Company will provide equipment at the Customer's facility which will allow for daily wireless readings for the purpose of the measuring Gas Usage at the Customer's Delivery Point. The Company will install, own, and maintain the equipment in service and the Customer shall be responsible for the initial lump sum fee as identified in Section 1, Schedule A, Item 12.0. The Company will attempt to read the meters daily unless the delay is caused by the wireless service provider. This service requires a data plan from a telecommunications provider, which will be under the Company's name, with the Customer being responsible for the cost as identified in Section 1, Schedule A, Item 12.0. The Company will waive the initial lump sum fee if the Company requests an existing FT-1 Customer and NFT customer who are currently being served with telemetering equipment to switch to a wireless service. The Company will provide new requests for FT-1 transportation service and NFT service using wireless readings. At the Company's discretion in situations where wireless readings are not feasible due to technical or other logistical reason, the Company will provide at the Customer's expense, at the Point of Delivery to the Customer, a device that the Company will attach to its metering equipment for the purpose of monitoring the Gas Usage. The Customer shall be responsible to supply a dedicated electrical supply and a telephone line at a location acceptable to Company and capable of transmitting information collected from the monitoring device to the Company's computer system. The Customer shall be responsible for the maintenance and service of the telephone line. Should a dedicated phone line be required, it is the responsibility of the Customer to schedule the installation, to notify Company when such installation has been completed, and the Customer is responsible for any associated charges. FT-1 and NFT transportation service shall not commence until the telemetering equipment is in place and operational.

2.03.0 Balancing:

FT-1 and NFT Service is subject to both Daily and Monthly balancing provisions. It will be the Marketer's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Company under this service and to maintain as nearly as possible, equality between the Gas Usage and the Actual Transportation Quantity. Marketer shall be solely responsible for securing faithful performance by Shipper and

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Transporting Pipeline, and the Company shall not be responsible as a result of any failure of Shipper or Transporting Pipeline to perform. Charges and Penalties associated with FT-1 and NFT balancing are billed to the Marketer.

2.03.1 Daily Imbalances:

The Marketer must maintain a balance between daily receipts and daily usage within the following tolerances:

Off-Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 15% of said receipts. The Marketer shall be charged a penalty of 0.1 times the Daily Index for all differences not within the 15% tolerance.

Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 10% of said receipts. The Marketer shall be charged a penalty of 0.5 times the Daily Index for all differences not within the 10% tolerance.

Critical Day(s): The Company will determine if the Critical Day will be aggravated by an under-delivery or an over-delivery, and so notify the Marketer when a Critical Day is declared pursuant to Item 1.05 above.

If the Marketer does not deliver gas on the transporting pipelines as required in Item 1.06.0 above, the Company may charge the Marketer a penalty of 0.5 times the Daily Index for all differences less than the forty (40) percent minimum requirement on each transporting pipeline.

If the Marketer has an accumulated imbalance within a month, the Marketer may nominate to reconcile such imbalance, subject to the Company's approval, which approval shall not be unreasonably withheld.

2.03.2 Monthly Imbalances:

For each Aggregation Pool, the Marketer must maintain total Actual Transportation Quantities within a reasonable tolerance of total monthly Gas Usage. Any differences between total Monthly Transportation Quantities for an Aggregation Pool and the aggregated Gas Usage of Customers in the Aggregation Pool, expressed as a percentage of total Monthly Transportation Quantities will be cashed out according to the following schedule:

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<u>Imbalance Tier</u>	<u>Over-deliveries</u>	<u>Under-deliveries</u>
0% ≤ 5%	The average of the Daily Indices for the relevant Month	The highest average of seven consecutive Daily Indices for the relevant Month
> 5% ≤ 10%	0.85 times the above stated rate	1.15 times the above stated rate
> 10% ≤ 15%	0.60 times the above stated rate	1.4 times the above stated rate
> 15%	0.25 times the above stated rate	1.75 times the above stated rate

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% Under-delivery on a Delivering Pipeline, volumes that make up the first 5% of the imbalance are priced at the highest average of the seven consecutive Daily Indices. Volumes making up the remaining 2% of the imbalance are priced at 1.15 times the average of the seven consecutive Daily Indices.

All cash-out charges or credits, as determined above, will be applied to the Marketer's monthly invoice for the Aggregation Pool.

Designated Marketers may arrange with another of Company's Marketers providing service to the same Point of Receipt to exchange, purchase or sell daily or monthly imbalance gas. The Company will notify each Marketer of its monthly imbalance following the close of the billing month in which the imbalance occurs. Marketers will have three business days following such notification to notify Company of any imbalance exchange or sale and to confirm such transaction.

2.03.3 Pass-Through of Upstream Imbalance Charges:

In addition to other charges provided for in this Section, Marketer will be responsible for any imbalance charge or penalty imposed on Company by an upstream pipeline as a direct result of an imbalance, scheduling error, unauthorized overrun or other similar charges caused by Marketer. The Company shall assign imbalance penalties assessed to the Company by upstream pipelines to sales and transportation customers based on the extent that each group caused such penalties, as determined by the Company. The portion of any such penalty assigned to transportation service shall be further assigned to individual Marketers based on the extent to which each Marketer's Aggregation caused such penalties, as determined by the Company.

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2.04.0 Default Transportation Service:

Default Transportation Service is available to any Commercial or Industrial customer account classified as Large or Extra Large that subscribes to FT-1 Transportation Service and that does not have pipeline capacity assignment from the Company. Customers will receive this service as a result of their marketer no longer delivering gas on their behalf. Such service will continue in effect until either service is established with a new marketer through the execution of a new Transportation Application per Item 1.03.1 above or service is terminated.

This service provides for a continuous supply of gas of not less than 1,000 Btu per cubic foot, and is provided on a best efforts basis with as little as 24 hours advance notice. Where notification is at least 24 hours in advance but less than three business days before the start of a calendar month, the service provided will be Short-Notice Default Transportation Service. Where notice is provided at least three business days prior to the start of a calendar month, the service provided will be Advance-Notice Default Transportation Service. Short-Notice Default Transportation Service will be switched to Advance-Notice Default Transportation Service at the start of a subsequent month once the service has been in effect for the three business day period before the start of such month.

Default Transportation Service is a temporary surrogate for provision of gas to a customer that would otherwise be provided by a marketer, hence it includes nominating and balancing. Customer must maintain an operational telemetering device as required in Item 2.02.0 above.

2.04.1 Rates:

As indicated in Item 2.04.0 of Section 6, Schedule C of the Company's Transportation Terms and Conditions, two Default Transportation Services are available in the event that a marketer stops delivering gas on behalf of Large and Extra Large FT-1 customers who have elected to forgo the Company's assignment of pipeline capacity:

Short-Notice Service:

The commodity charge for Short-Notice service shall be the higher of:

- a. The Company's applicable firm sales rate

OR

- b. Winter (November – March) – 135% of the Daily Algonquin Citygates average price or 135% of the Daily Tennessee Zone 6 (delivered) average price published

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in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Daily Algonquin Citygates average price or 115% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Advance-Notice Service:

The commodity charge for Advance-Notice service shall be the higher of:

- a. The Company's applicable firm sales rate

OR

- b. Winter (November – March) – 135% of the Algonquin Citygates Monthly Contract Index price or 135% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Algonquin Citygates Monthly Contract Index price or 115% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

3.0 FT-2 TRANSPORTATION SERVICE:

3.01.0 Character of Service:

This service provides firm, 365 day transportation of Customer purchased gas supplies to

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customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. Daily Nominations are calculated by the Company on the basis of a consumption algorithm, and the Marketer is obligated to deliver to the city gate and/or nominate the purchase of underground storage and peaking supplies at the city gate sufficient to meet the forecasted daily usage of its FT-2 pool customers.

The Customer's designated Marketer shall be allocated a quantity of Company contracted underground storage and peaking resources which, when combined with the pipeline capacity released, will be sufficient to meet the Customer's calculated Peak Day Use. The Marketer may purchase supplies delivered to the Company's city gate based on the Company's storage and peaking supply capabilities and costs. The ability to purchase supplies is made available to the Marketer pursuant to a written agreement with the Company, for the purpose of meeting the Company forecasted daily usage under the operational parameters described below. Additional Marketer requirements and obligations are described in Item 5.0 below.

3.02.0 Storage And Peaking Resources:

As described in Section 6, Schedule C. 1.07.0 above, the Company will annually calculate a Customer's total storage and peaking resource requirements based on the Customer's calculated Peak Day Use. It will then multiply the storage and peaking percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer for storage and peaking, respectively.

3.02.1 Maximum Daily Quantity (MDQ):

The result of the calculations above will establish the Customer's Maximum Daily Quantity (MDQ-P) and (MDQ-U). These parameters represent the maximum storage and peaking quantities available to the Marketer each day for meeting the Customer's Gas Usage needs.

3.02.2 Maximum Storage Quantity (MSQ):

The Customer's Maximum Underground Storage Quantity (MSQ-U) is calculated as the maximum storage quantity from underground storage over the course of the November to March withdrawal season and is calculated by the Company by multiplying the Customer's MDQ-U times the weighted average number of days of service available to the Company under its various underground storage agreements.

The Customer's Maximum Peaking Storage Quantity (MSQ-P) is calculated as the maximum amount of peaking storage over the course of the November to March withdrawal season and is calculated by multiplying the MDQ-P times the number of days that the Company's available LNG, net of amounts required for pressure support, boil-off and any heel quantities, could be used at 100% output. These

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quantities serve to define the maximum quantities that can be nominated for purchase by a Marketer and are a component of the operational parameters for the service.

3.02.3 Operational Parameters:

The available for the Underground Storage and Peaking accounts shall be tracked by the Company and made available to the Marketers via electronic means. These balances will be updated each Gas Day to reflect Marketer nominations for purchase.

The Company will establish monthly maximum purchase levels reflective of the Company's available resources and the Marketers Maximum Storage Quantities, MSQ-U and MSQ-P. There will be separate purchase levels for each month for both Underground Storage and Peaking Resources. Such levels will be as provided in the annual Gas Cost Recovery Filing.

In addition to operational parameters for monthly purchase levels, there are daily maximums established for the quantities which the Marketer can nominate for purchase. These factors vary by month and as the Marketer's entitlement level changes. Such factors will be based on the Marketer's total MDQ, the Company's storage contracts and peaking supply capabilities and will be as provided in conjunction with the annual Gas Cost Recovery Filing.

3.02.4 Purchases:

The Company will update an FT-2 aggregation pool's MSQ-U, MSQ-P, MDQ-U and MDQ-P assignments in total and for each month concurrent with the Customer's initiation of transportation service with the designated Marketer.

Marketer will then be entitled to purchase from the Company the available amount of underground storage for the month on any day up to its allowed MDQ for the month until the cumulative purchases for the month equal the monthly limit. The purchases will be at a rate calculated as indicated below. The estimated rate will be provided to the marketers by the second business day of the month in which the purchase is being made.

The Company shall develop a price for the purchases based on the Company's underground storage inventory price at the beginning of the month and for the variable costs associated with the withdrawal of the gas from storage and the transportation of the gas to the system.

The price per Dt at the Company's city gate shall be calculated using the following formula:

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$$\$/\text{Dt} = (((\text{IP} \div (1 - \text{SLF}) + \text{WWCC}) \div (1 - \text{PLF})) + \text{PCC})$$

Where:

$\$/\text{Dt}$	cost per Dekatherm charged to Marketers for underground storage inventory at the Company's city gate
IP	Underground Storage Inventory Price at Beginning of the month
SLF	Weighted Average Loss Factor on Storage Withdrawals
WWCC	Weighted Average Withdrawal Commodity Charges
PLF	Weighted Average Pipeline Loss Factor
PCC	Weighted Average Pipeline Commodity Charge.

The rate components SLF, WWCC, PLF and PCC are as calculated in the Company's most recent Gas Cost Recovery Filing.

Marketers will be entitled to purchase peaking inventory at the Company's cost of LNG inventory and Weighted Average commodity charge of pipeline supplies designated by Company as peaking resource.

3.02.5 Demand Rates:

The FT-2 Demand Rate is designed to recover the fixed costs and other miscellaneous costs associated with the provision of the underground storage and peaking resources and is billed to the Marketer:

$\$/\text{DT}$	cost per Dekatherm charged to Marketers per unit of MDQ where $\text{MDQ} = \text{MDQ-U} + \text{MDQ-P}$.
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The FT-2 demand rate is as calculated in the Company's most recent Gas Cost Recovery Filing. The calculation is in Section 2, Gas Charge, Schedule A, Item 3.3.

3.03.0 Nominations:

The Company shall calculate the Forecasted Daily Usage (FDU) of the aggregation pool using a Consumption Algorithm for each of the customers in the aggregation pool. The Company shall have sole responsibility for such Consumption Algorithm and by selecting FT-2 service, Marketer agrees to abide by the results of such algorithm. The algorithm is:

$$\text{FDU} = \text{Base Load} + (\text{HU factor} \times \text{FDD})$$

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Where:

FDU	an individual customer account's forecasted daily usage for the next gas day
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
FDD	forecasted heating degree days for the gas day starting at 10:00 AM the next day

FDU will be adjusted for any Company fuel allowance.

The Company will provide to the Marketer no later than 9:30 AM each day using an electronic posting or via facsimile the FDU for the next gas day which would start at 10:00 AM the next day. If the Company is unable to provide to the Marketer the FDU using an electronic posting or via facsimile before 9:30 AM, the default FDU will be the prior day's FDU. The Marketer shall be obligated to nominate any combination of pipeline, underground storage or peaking equal to the FDU for the next gas day. Such nomination is to be posted on the Company's Electronic Bulletin Board in the timely cycle before the start of the next gas day. The Company shall not accept or confirm any nominations that are greater than the FDU of the aggregation pool and any nominations for storage and peaking resources must be in accordance with the applicable operational parameters. When the Marketer's cumulative storage or peaking use for the month reaches the Marketer's maximum storage or peaking use for the month, the Marketer will not be able to nominate storage or peaking quantities to satisfy the FDU nomination requirement.

3.03.1 Critical Days:

To satisfy the FDU nomination requirement on Critical Days, the Marketer is required to fully utilize upstream capacity that it received from Company through Capacity Release so as to help avoid restricting the Company's ability to provide efficient and reliable firm transportation and sales service. Notice of Critical Days will be posted on the EBB no later than concurrent with the posting of the FDU nomination requirement.

3.03.2 Over- and Under-deliveries:

If the Company declares an OFO or critical day condition reducing the tolerance for under-deliveries, any under-deliveries of the aggregation pool's gas requirements, up to the FDU, will be treated as Unauthorized Use and subject to penalty charges as

TRANSPORTATION TERMS AND CONDITIONS

provided in Item 1.05.0 above. Under-deliveries at times when an OFO or critical day have not been declared will be cashed out at 120% of daily index.

If the Company declares an OFO or critical day condition reducing the tolerance for over-deliveries, any over-deliveries of the aggregation pool's gas requirements, above the FDU, will be cashed out at 40% of the daily index. In addition, the Company reserves the right to reject such a nomination. Over-deliveries at other times will be cashed out at 80% of Daily Index.

3.03.3 FDU Weather True-up Cash Out:

Each month, the forecasted daily use (FDU) for each day will be recalculated and the change in consumption attributable to differences between the original forecasted degree days and actual degree days will be calculated. Each day's change in consumption will be cashed out at that day's published Daily Index.

3.04.0 Billing Imbalances:

Imbalances between customer Gas Usage and the Forecasted Daily Usage (FDU), adjusted for actual weather, will be cashed out at the average of the Algonquin and Tennessee city gate delivered monthly indexes. The Company will prorate the imbalance amount between the months billed based on the customer's base load and heating use factors and apply the average monthly index to the corresponding month's imbalance quantity, calculated as follows:

$$MU = (\text{Base Load} \times \text{Number of billed days in month}) + (\text{HU Factor} \times \text{ADDM})$$

Where:

MU	Usage attributable to that individual month
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
ADDM	actual degree days for the billing period

The imbalance amount will be a credit if deliveries exceed the customer's use and a debit if deliveries are less than the customer's use. The billed imbalance amount for any billing will be the sum of the imbalance charges or credits attributable to each individual month included in the bill. The charges or credits for the individual months will be calculated as follows:

TRANSPORTATION TERMS AND CONDITIONS

$$IBM = (MU - FDUM) \times (AGTI + TGPI) \div 2$$

Where:

IBM	Individual Billing Month charge/credit
AGTI	Algonquin Pipeline published price Index for the month
TGPI	Tennessee Pipeline published price Index for the month

All quantities will be adjusted for Company Fuel Allowance.

4.0 NFT SERVICE:

4.01.0 Character Of Service:

This service provides interruptible transportation of Customer purchased gas supplies to customers with telemetering equipment and that are eligible to be classified under Section 6, Schedule A of the Company's Tariff. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer may assign Customer to an Aggregation Pool with other Customers electing NFT or FT-1 transportation service or establish a one-customer Aggregation Pool. Specific Marketer requirements and obligations are described in Item 5.0 below. A Customer receiving NFT service does not have pipeline capacity assignment from the Company.

4.02.0 Nominations:

The nomination requirements in Item 1.04.0 above apply to the provision of NFT Service.

4.03.0 Imbalances:

The Daily and Monthly Imbalance provisions in Items 2.03 above apply equally here.

4.04.0 Curtailments:

The notification of interruption or curtailment and the provisions of failure to curtail are described in Section 6, Schedule A, Item 8.0 and Item 9.0.

5.00 MARKETER AGGREGATION SERVICE:

5.01.0 Character of Service:

TRANSPORTATION TERMS AND CONDITIONS

This service allows Marketers to aggregate customer accounts and form Aggregation Pools for the purpose of making initial and subsequent nominations, making delivery to a designated Point of Receipt, and for balancing of Actual Transportation Quantity with Gas Usage on Customer's behalf. The Company will transport gas, owned by the Customers of the Aggregation Pool, to the Point(s) of Delivery for each Customer included in such pool. A Marketer shall be designated by each Customer on the Transportation Service Application, and each such customer must be assigned by the Marketer to an Aggregation Pool of one or more customers. Changing the designated Marketer is allowed under the conditions in Item 1.02 above and is accomplished through the execution of a new Transportation Service Application. Once so designated, the Company will rely on information provided by the Customer's Marketer for nomination, balancing and scheduling purposes and all notices provided by the Company to Customer's Marketer shall be deemed to have been provided to the Customer.

5.02.0 Aggregation Pools:

The aggregation of Customer accounts into an aggregation pool is limited by the transportation service of the respective Customers.

The Customer's transportation service restriction requires that Customers subscribing to non-daily metered FT-2 Service must be aggregated in a separate pool from Customers subscribing to daily metered FT-1 or NFT Service. Customers subscribing to FT-1 or NFT can be combined in a single Aggregation Pool. A separate Marketer Account will be established for each Marketer Aggregation Pool.

The Marketer Aggregation Pool Service Agreement have an initial term through the following November 1. Thereafter, the Pool Service Agreement shall be automatically renewed for successive one year terms, unless notice of termination is provided by the Marketer on or before October 1 or if the Company has terminated the agreement under its collection procedures. Marketers may assign their Aggregation Pool Service Agreements to another certified Marketer with the Company's consent.

5.03.0 Marketer Qualifications:

In order to be designated hereunder as a Marketer, the Marketer must meet the following qualifications:

- (1) The Marketer must be authorized by the PUC in accordance with PUC Regulations for Utility Interaction with Gas Marketers;
- (2) The Marketer must demonstrate to the Company that it meets the following creditworthiness standards:
 - A. The Marketer, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two

TRANSPORTATION TERMS AND CONDITIONS

rating agencies. For the purposes of this Section, minimum rating shall mean “BBB” from Standard & Poor’s, “Baa2” from Moody’s Investor Service, or “BBB” from Fitch Ratings (minimum rating)

- B. If a Marketer or a guarantor, is not rated by Standard & Poor’s, Moody’s Investor Service or Fitch Ratings, it shall satisfy the Company’s creditworthiness requirements if the Marketer, or a guarantor maintains a minimum “1A2” rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the Marketer maintains 24 months good payment history with the Company
 - C. In the event that the Marketer has not met the credit standards above, then the Marketer must so notify the Company and the Marketer will be required to use one of the financial vehicles specified in 5.03.3 to satisfy the Company’s credit standards.
- (3) Marketers must have an executed Marketer Aggregation Pool Service Agreement with the Company and accepted its designation as the marketer for each customer by countersigning the applicable Transportation Service Application.
 - (4) Marketers must provide the Company with a copy of their GET exemption certificate, state sales tax exemption certificate or other appropriate exemption certificate(s) in order to be exempt from the applicable taxes.

5.03.1 Marketer Disqualification:

A Marketer may be disqualified from participating in the transportation program for any of the following conditions:

- (1) Failure to continue to meet all the conditions set forth in Section 5.03.0 with respect to authorization by the PUC and the credit standards set out in 5.03.0, and abide by the terms and conditions of the Marketer Aggregation Pool Service Agreement set forth in Section 6.0.
- (2) Failure to pay an invoice from the Company on the due date or maintain sufficient credit. If Marketer fails to pay an invoice on the due date or the Marketer’s credit limit or security is insufficient to cover the unpaid amount, the Company may discontinue participation in the customer transportation program; provided however, that at the Marketer’s request, the Company will allow up to 10 business days for the Marketer to cure any failure to pay or any shortfall provided such action, as determined solely by the Company, will not result in harm to its customers or the gas system.
- (3) If a Marketer, through its actions, causes a significant risk or condition that compromises safety, system security or operational reliability and fails to

TRANSPORTATION TERMS AND CONDITIONS

eliminate that risk or condition when notified, the Company may immediately discontinue the Marketer's participation in the customer transportation program.

- (4) If the Marketer fails to provide supply at a level that reasonably matches its customers' daily requirements for its daily balanced pool or, when directed by the Company to deliver a certain quantity under the FT-2 service it fails to deliver the required amount, the Company may discontinue the Marketer's participation in the customer transportation program.

5.03.2 Calculation of Credit Risk and Security for Natural Gas Imbalance Risk:

The Company may require a Marketer to provide security equal to three times the highest month's gas usage of the Marketer's Aggregation Pool at the firm sales rate applicable to the upcoming peak period. This amount may be updated at the Company's discretion

5.03.3 Security Instruments:

The following financial arrangements are acceptable methods of providing security:

- (1) Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Rhode Island Public Utilities Commission;
- (2) Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
- (3) Security interest in collateral; or,
- (4) Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
- (5) Other means of providing or establishing adequate security.

The Company may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any Marketer.

If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to a Marketer falls below an "A" rating, the Company shall allow a minimum of five business days for a Marketer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

The Marketer agrees that the Company has the right to access and apply the deposit, letter of credit or other financial vehicle to any payment obligations, not in dispute, which are deemed by the Company to be late. The Company may review and determine the status of a Marketer's creditworthiness at its sole discretion. If Marketer is unable to maintain the Company's credit approval or otherwise ceases to meet the Marketer Qualifications, the Company may terminate the Marketer

TRANSPORTATION TERMS AND CONDITIONS

Aggregation Pool Agreement as of the first day of the month following written notice to Marketer.

5.04 Intentionally Left Blank

5.05 Billing:

Billing for monthly customer charges and transportation charges for quantities actually delivered shall be based on the readings at each individual meter for the Customer and billed on a billing cycle basis to the Customer. The Customers and Marketers shall be liable for all rates, charges and surcharges allowed for in the Company's Rate Schedules related to transportation services provided to each customer individually.

Calculation of charges applicable to the Aggregation Pool will be based on aggregated Gas Usage, MDQ's, etc. of all Customers in the Aggregation Pool. Billing for charges applicable to an Aggregation Pool, e.g., imbalance charges, credits or penalties, and FT-2 Throughput charges shall be billed to the Marketer on a calendar month basis.

All bills rendered to the Marketer are due within ten (10) days from the date of the invoice. A late payment charge, in accordance with regulations of the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers, shall accrue after ten (10) days.

6.0 SERVICE AGREEMENTS: (See Attached Sheets)

TRANSPORTATION TERMS AND CONDITIONS

The Narragansett Electric Company, Transportation Service Application

This Transportation Service Application ("Application") must be completed by the customer and the marketer prior to the commencement of the requested Transportation Service.

~~NG~~Rhode Island Energy:
The Narragansett Electric Company
d/b/a ~~National Grid~~Rhode Island Energy

Customer:

175 East Old Country Road
Hicksville, NY 11801
Attn: Supplier Services
Customer Contact Center:
1-800-870-1664

Notice to:

Notice to:

The Customer hereby requests Transportation Service subject to the ~~NG~~Rhode Island Energy General Terms and Conditions, Section 1 of RIPUC ~~NGRIE~~-GAS No. 101, its Transportation Terms and Conditions, Section 6, Schedule C and, under the terms and conditions set forth herein. ~~NG-Rhode Island Energy~~ shall review this Application and notify the Customer of its approval or rejection by way of a Confirmation Letter that shall set forth the terms and conditions of the Customer's Transportation Service. Upon Customer's and Marketer's fulfillment of all conditions set forth in the Confirmation Letter, such Confirmation shall represent an Agreement by ~~NG-Rhode Island Energy~~ to provide Transportation Service consistent with this Application and the Transportation Terms and Conditions set forth in Section 6, Schedule C of RIPUC ~~NGRIE~~-GAS No. 101.

Account Number	Meter Number	Service Address	FT-1	NFT
1)				
2)				
3)				

- Transportation Service shall commence in accordance with Item 1.02, Section 6, Schedule C of RIPUC ~~NGRIE~~-GAS No. 101
- FT-1 and NFT Services require telemetry. A telemetering device and related equipment installed by ~~NG-Rhode Island Energy~~ shall remain ~~NG-Rhode Island Energy~~ property at all times. The Customer shall provide ~~NG-Rhode Island Energy~~ with access to a phone line that meets ~~NG-Rhode Island Energy~~ specifications for telemetering purposes. The customer is financially obligated for the costs to acquire, install and operate the telemetering device and related equipment.
- Provision of transportation service based on this Application shall have an initial term through the following November 1st, unless sooner terminated in accordance with the terms and conditions of ~~NG's-Rhode Island Energy's~~ Tariff, and shall continue thereafter from year to year unless terminated by customer, Marketer, or ~~NG-Rhode Island Energy~~ upon not less than 30 days prior written notice.

Public Regulation

The Narragansett Electric Company is a public utility subject to regulation by the Rhode Island Public Utilities Commission ("Commission"). The provision of transportation service as a result of this Application is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to this Application. Compliance by ~~NG-Rhode Island Energy~~ with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the commencement of transportation service, shall relieve ~~NG-Rhode Island Energy~~ of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of such service, either ~~NG-Rhode Island Energy~~, the customer, or the Marketer shall have the option to terminate transportation service by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

Customer Signature

Title

Print or Type Name

Date

Phone #

Contact in event of telecommunications issue : Print or Type Name

Phone #

This section to be filled out by the Marketer

TRANSPORTATION TERMS AND CONDITIONS

By signing below and pursuant to its separate Marketer Aggregation Pool Service Agreement, the Marketer (i) accepts the designation as the customer's marketer and (ii) agrees to pay all applicable Marketer charges in accordance with ~~NG's~~ Rhode Island Energy's tariff, including its Transportation Terms and Conditions

Marketer

Marketer Signature

Title

Phone #

Print or Type Name

Date

TRANSPORTATION TERMS AND CONDITIONS

THE NARRAGANSETT ELECTRIC COMPANY MARKETER AGGREGATION POOL SERVICE AGREEMENT

This Agreement (“Agreement”) is entered into this _____ day of _____, 20__, by and between The Narragansett Electric Company, d/b/a ~~National Grid~~ Rhode Island Energy, a subsidiary of ~~National Grid USA-PPL Corporation~~ with a ~~principal~~ place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island 02907 (herein called “~~NGR~~ Rhode Island Energy”, “RIE”, or the “Company”) and _____ (herein called “Marketer.”)

WITNESSETH THAT:

WHEREAS, the Company’s tariff, RIPUC ~~NGRIE~~-GAS No. 101, Section 6, Schedule C, provides for and establishes terms and conditions for a Marketer Aggregation Pool; and

WHEREAS; Marketer desires to establish an Aggregation Pool and desires Company to provide pool aggregation services pursuant to such Schedule C and to transport quantities of gas delivered by Marketer for use at the locations of customers belonging to the Aggregation Pool (hereafter called “Points of Delivery”); and

WHEREAS: Company, is willing to provide such service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company’s General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will transport and deliver to customers of Marketer’s Aggregation Pool such quantities of Marketer’s gas delivered by Transporting Pipeline to Company’s distribution facilities (hereafter called “Point of Receipt”).

1.0 AGGREGATION POOL:

1.1 Marketer is establishing a single Aggregation Pool as indicated by an X:

Daily Metered _____
Non-daily Metered _____

1.2 Marketer hereby subscribes to Company’s Marketer Aggregation Service pursuant to Item 5.00 of the Company’s Transportation Terms and Conditions, Section 6, Schedule C.

1.3 Marketer represents and warrants that Marketer has met and will continue to meet the Marketer qualifications in Item 5.03 of Company’s Transportation Terms and Conditions, Section 6, Schedule C.

1.4 Marketer agrees to provide to Company no later than 30 days before the above identified commencement date Transportation Service Applications for all end user customers in Marketer’s

TRANSPORTATION TERMS AND CONDITIONS

Aggregation Pool identified in 1.1 above. Such list is to include: Customer Name; Billing Address; ~~NGRIE~~ account #; and, name and telephone number of customer contact person.

1.5 Marketer agrees to notify Company in writing of any changes in the makeup of an Aggregation Pool as provided in the Company's Transportation Terms and Conditions.

1.6 Marketer represents and warrants that it has accepted the designation as the Marketer of each customer of the Aggregation Pool and agrees in each case to be bound by, perform, and pay all charges applicable to transportation service to the Customer's account in accordance with the provisions of the Company's tariff.

2.0 PIPELINE CAPACITY RELEASE:

2.1 Company agrees to provide to Marketer no later than 15 days before the above identified commencement date, the quantity of interstate pipeline capacity allocated for Marketer's FT-1 and FT-2 Aggregation Pool(s) broken down by individual customer.

2.2 Marketer agrees to accept assignment of such firm interstate pipeline capacity in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

2.3 Company agrees to update the calculation of the quantity of interstate pipeline capacity annually based on customers' most recent historical usage in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

3.0 PUBLIC REGULATION:

3.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

3.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement.

4.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

TRANSPORTATION TERMS AND CONDITIONS

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

By _____

Signature: _____

Name: _____

Title: _____

Date: _____

Witness

By The Narragansett Electric Company

Signature: _____

Name: _____

Title: _____

Date: _____

Witness

TRANSPORTATION TERMS AND CONDITIONS

THE NARRAGANSETT ELECTRIC COMPANY STORAGE AND PEAKING RESOURCE AGREEMENT

This Agreement ("Agreement") is entered into this _____ day of _____, 20__, by and between the Narragansett Electric Company, d/b/a ~~National Grid~~ Rhode Island Energy, a subsidiary of ~~National Grid USA-PPL Corporation~~ with a principal place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island (herein called "~~NGR~~Rhode Island Energy", "~~RIE~~", or the "Company") and _____ (herein called "Marketer.")

WITNESSETH THAT:

WHEREAS, Marketer seeks to obtain service respecting a quantity of the Company's contracted underground storage and peaking resources pursuant to the terms and conditions for FT-2 Transportation Service in the Company's tariff, RIPUC ~~NGRIE~~-GAS No. 101, Section 6, Schedule C; and

WHEREAS; Marketer desires that the Company transport quantities of gas delivered by Marketer for use at the locations of customers belonging to an FT-2 Aggregation Pool (hereafter called "Points of Delivery"); and

WHEREAS: Company, is willing to provide such storage and transportation service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company's General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will provide to Marketer storage and peaking services in association with Marketer account number _____ under the terms and conditions set forth below.

1.0 SCOPE OF AGREEMENT:

1.1 The Company will calculate the Maximum Storage Quantities for both Underground Storage and for Peaking services ("MSQ-U" and "MSQ-P" respectively) as well as the Maximum Daily Quantities for both Underground Storage and Peaking services ("MDQ-U" and "MDQ-P" respectively) in accordance with Item 3.02 in Section 6, Schedule C of the Company's tariff. Such calculated quantities can change during the term of the agreement to the extent that the makeup of the Marketer's FT-2 Aggregation Pool changes.

1.2 Marketer hereby agrees to utilize and manage such services and inventories attributed to its account in accordance with the Operational Parameters described in Item 3.02.3 of the Company's Transportation Terms and Conditions, Section 6, Schedule C and as on file with the Public Utilities Commission as part of the Company's annual Gas Cost Recovery filing.

TRANSPORTATION TERMS AND CONDITIONS

2.0 INVENTORY SERVICES:

2.1 All nominations for purchases from storage will take place at the Company's city gate.

2.2 Purchases of inventory service from the Company will be as stated in the Company's currently effective tariff.

2.3 Purchase of any storage inventory service from the Company will require payment via electronic transfer of funds within ten days of the invoice date.

2.4 Marketer acknowledges that it shall bear no ownership interest in any other storage or peaking assets or inventory of the Company.

3.0 SUCCESSORS AND ASSIGNS:

3.1 This Agreement shall be binding on the parties hereto and their respective successors and assigns. This Agreement may not be assigned by Marketer without the prior written consent of the Company.

4.0 PUBLIC REGULATION:

4.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

4.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission, including provision thereof limiting the Company's liability, to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement. Upon request of the Marketer, Company shall provide the Marketer with a copy of Company's complete filed Tariff and Terms and Conditions.

5.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

The Narragansett Electric Company
d/b/a ~~National Grid~~ Rhode Island Energy
RIPUC ~~NGRIE~~-GAS No. 101

Section 6
Transportation Terms and Conditions
Schedule C, Sheet 36
~~Ninth-Tenth~~ Revision

TRANSPORTATION TERMS AND CONDITIONS

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

	By	_____
	Signature:	_____
	Name:	_____
	Title:	_____
Witness	Date:	_____

	By	The Narragansett Electric Company
	Signature:	_____
	Name:	_____
	Title:	_____
Witness	Date:	_____

The Narragansett Electric Company
d/b/a ~~National Grid~~Rhode Island Energy
RIPUC ~~NGRIE~~-GAS No.101

Section 7
Miscellaneous Services
Schedule B, Sheet 1
~~Fourth~~Fifth

Revision

GAS LAMPS
RATE 80

1.0 AVAILABILITY:

This service is available for gas lamps, without meters, to customers of record on July 1, 2002 throughout the Company's service territory and is not available to new commercial accounts.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES: On a monthly basis: \$9.52 per lamp

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations, in Section 1 of RIPUC ~~NGRIE~~-GAS No. 101, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

6.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

OTHER MISCELLANEOUS CHARGES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT CHARGE

1.0 LOW INCOME HOME ENERGY ASSISTANCE PLAN (LIHEAP) ENHANCEMENT CHARGE:

In accordance with R.I.G.L. § 39-1-27.12, the Company shall bill monthly to all customers a Low Income Home Energy Assistance Plan enhancement charge (“LIHEAP Charge”) approved by the PUC, provided however that the annual charge shall not exceed \$10 per customer, per year. For purposes of this section a “customer” is defined as any person taking service at a single point of gas delivery or gas meter.

The monthly rate for the LIHEAP Charge is a per customer charge and shall appear as a separate line item on a customer’s bill. The LIHEAP Charge is set annually, effective January 1.

1.1 LIHEAP Enhancement Fund:

The Company shall establish a LIHEAP Enhancement fund that shall be used to account for the combined funds collected through the LIHEAP Charge from both gas and electric service customers. The Rhode Island Department of Human Services (“DHS”) shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Charges billed through the end of the current calendar year. Once the aggregate credits applied to customer bills equals the aggregate projected LIHEAP Charges billed through the end of the current calendar year, including interest as defined below, the application of the LIHEAP Enhancement credits would cease. Any difference in aggregate cumulative actual LIHEAP Charges billed and aggregate cumulative credits applied to customer bills, will accrue interest at the customer deposit interest rate.

The projected annual revenue in the LIHEAP Enhancement fund billed through the gas and electric service LIHEAP Charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

Beginning on September 1, 2016 and monthly thereafter between April 15 and September 30 of each year, the Company will set aside a minimum of 5 percent of the funds billed through the LIHEAP Charge, to be allocated to provide assistance to customers seeking LIHEAP certification for the sole purpose of entering into the Arrearage Management Program (“AMP”) as described in R.I.G.L. § 39-2-1(d)(2). This fund is designated for homeless

OTHER MISCELLANEOUS CHARGES

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT
CHARGE**

families or individuals who are transitioning from a shelter into housing who provide acceptable documentation to DHS. Remaining funds available after September 30 of each year will be eligible for use in the upcoming winter season.

1.2 LIHEAP Eligible Customer:

For purposes of receiving funds from the LIHEAP Enhancement fund in subpart 7.1 above, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than 60 percent of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR § 96.85 or its successor regulation.

OTHER MISCELLANEOUS CHARGES

2.0 RESIDENTIAL ASSISTANCE PROVISION

The DAC contained in all of the Company's firm rate classes except for the Low Income Rates 11 and 13 shall include a Low Income Discount Recovery Factor ("LIDRF") to recover the cost of bill discounts provided to customers receiving service on Rates 11 and 13. In addition, the DAC contained in all of the Company's firm rate classes shall include an Arrearage Management Adjustment Factor ("AMAF") to recover the cost associated with the operation of the Arrearage Management Program ("AMP").

2.1 LOW INCOME BILL DISCOUNTS

On an annual basis, the Company shall estimate the discount to be provided to Rates 11 and 13 customers. The estimated discount will be twenty-five (25) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. For those customers who are receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs, the estimated discount will be an additional five (5) percent for a total discount of thirty (30) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. This estimate of the discount shall be used to determine the amount to be reflected in the Distribution Adjustment Charge on prospective basis. The amount shall be divided by the estimated therms to be delivered by the Company to all customers excluding customers on Rates 11 and 13. Such per therm charge is referred to as the LIDRF.

The revenue billed through the LIDRF shall be subject to reconciliation against the actual bill discounts provided during the twelve month reconciliation period for which the LIDRF is in effect, and any over- or under-recovery of the actual discount provided shall be reflected in the Reconciliation Factor.

For purposed of the above reconciliation, the Company shall accumulate the actual discounts provided to Rates 11 and 13 customers and the revenue billed through the LIDRF and shall accrue interest on the difference between these amounts at the interest rate paid on customer deposits on a monthly basis.

Should any balance remain subsequent to the recovery of the over- or under-recovery balance as described above, the Company shall reflect, as an adjustment in the then-current reconciliation period, the amount of the remaining balance.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT PROGRAM PROVISION

3.0 ARREARAGE MANAGEMENT PROGRAM:

In accordance with R.I.G.L. § 39-2-1(d)(2), commencing on September 1, 2016, the Company shall implement an AMP pursuant to this tariff provision.

I. PROGRAM ELIGIBILITY

In order to be considered eligible for enrollment in the AMP, a customer who has been terminated from gas service or is recognized, pursuant to a rule or decision by the Division, as being scheduled for actual shut-off of service on a specific date, shall meet all of the following criteria:

- The applicant must be the customer of record, although the customer of record may authorize someone else to communicate with the Company to help enroll the customer of record in the AMP;
- The applicant must be eligible for the federal low-income home energy assistance program (“LIHEAP”);
- The account must be receiving retail delivery service on the Company’s Residential Low-Income Rates 11 and 13;
- The customer’s account must have a minimum balance of \$300.00 that is more than 60 days past due;
- If service to the account has been terminated, the customer must make an initial payment of 25% of the total unpaid balance (current and past due), unless otherwise directed by the PUC as a result of an emergency regulation;
- The customer must agree to a payment plan, as further described in Section III;
- The customer must agree to remain current with payments. “Remaining current” means that the customer:
 - 1) misses no more than two (2) payments in the 12-month term of the payment plan; and
 - 2) pays the amount due under the payment plan in full by the conclusion of the payment plan’s 12-month term;
- The customer must agree to participate in the Company’s Energy Efficiency programs; and
- The customer must apply for other available energy assistance programs, such as fuel assistance and weatherization

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

II. ENROLLMENT

To participate, the customer must affirmatively apply to participate in the AMP.

The Company shall administer the AMP enrollment process in compliance with the eligibility qualifications outlined in Section I. By applying to participate in the AMP, the customer agrees to comply with the terms of the AMP, including the customer's specific payment plan. After a customer has applied to the AMP, the Company shall determine whether the customer has met all of the AMP eligibility criteria set forth in Section I, based on the Company's records. The Company will coordinate with the Community Action Program ("CAP") agencies to validate customer eligibility when appropriate.

III. PAYMENT PLAN

AMP participants shall enroll in a 12-month payment plan, paid in equal monthly installments, which will cover new charges based upon their current estimated annual usage ("Payment Plan").

The current component of the Payment Plan shall be based on the customer's average monthly usage for the previous year less the customer's actual or anticipated fuel assistance commitments, and shall be converted to a fixed monthly payment.

IV. ARREARS FORGIVENESS

AMP participants will be eligible for forgiveness of their account balance that is past due at the time of the first bill under their Payment Plan, up to an annual maximum of \$1,500. With each payment under the Payment Plan, a portion of the participant's outstanding past due account balance as described above is forgiven in an amount equal to the total past due account balance or \$1,500, whichever is less, divided by 12; provided, however, that the annual arrearage forgiveness amount shall not exceed \$1,500.

If an AMP participant's past due account balance at the time their Payment Plan takes effect exceeds \$1,500, the AMP participant may request an extension of the Payment Plan beyond the initial 12-month term to establish a new Payment Plan to accommodate the additional account balance in excess of \$1,500. To be eligible for an extension, the AMP participant must be current with their Payment Plan at the conclusion of the initial 12-month term. Such AMP participant's Payment Plan will be extended upon the AMP participant's timely request for an extension.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

PAYMENT PLAN REVIEW

Customers applying to participate in the AMP will be advised that the amount of their required monthly payment under their Payment Plan may change over the lifetime of the Payment Plan.

The Company shall review the Payment Plans of active AMP participants every three months and may adjust the installment payments based on the following:

- A fuel assistance commitment is made subsequent to enrollment;
- There is a change in fuel assistance, such as a change in the amount, from what was understood at enrollment;
- The customer moves to a new address with a different average monthly usage for the previous year;
- Actual usage patterns differ from what was estimated as annual usage at enrollment; or
- There is a significant change in the Company's rates from what was anticipated at enrollment.

V. DEFAULT

The Company shall consider the AMP participant's billing account in default if either of the following occurs:

- The AMP participant misses more than two (2) payments in the 12-month Payment Plan term; or
- If the amount due under the Payment Plan is not paid in full by the conclusion of the 12-month Payment Plan term.

Upon default, the Company shall terminate an AMP participant from the AMP and the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

Customers shall have the option to opt out of continued participation in the AMP at any time, with the understanding that any unpaid balance will be due and payable in full. Customers who voluntarily opt out of the AMP will receive the same treatment as those customers who default on their Payment Plans under the AMP, as set forth in Section X (Subsequent Eligibility).

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

VI. TERMINATION

In addition to termination upon default, a customer's participation in the AMP shall terminate if either of the following occurs:

- The AMP participant moves outside of the Company's service territory; or
- The AMP participant moves from one service location to another service location.

If a customer is terminated from AMP participation, the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

VII. COLLECTION ACTIVITY

AMP participants shall not be subject to the Company's normal collections activities while actively participating in the AMP. The Company shall resume normal collections activities if an AMP participant defaults while participating in the AMP or terminates the AMP.

VIII. AMP BILLING AND ACTIVE PLAN NOTICING

The Company shall remove the amount of an AMP participant's arrears balance up to \$1,500 from the "current amount due" field on certain views of AMP participant accounts in the Company's billing system. However, the arrears balance up to \$1,500 shall remain on the customer's bill.

Customers who are enrolled in the AMP will receive an AMP "Enrollment Letter" outlining the terms and conditions of their participation in the AMP.

Customers in danger of defaulting from the AMP will receive a default letter advising them of the need to make all required payments or risk default, termination from the AMP, and a return to the Company's normal collections activities.

IX. SUBSEQUENT ELIGIBILITY

A customer is eligible for subsequent enrollment in the AMP provided two years have passed since either (a) the date of the customer's successful completion of the AMP, or (b) the date on which the customer's participation in the AMP was terminated as a result of default or because the customer voluntarily opted out of the AMP, so long as a CAP agency has provided a recommendation to allow eligibility notwithstanding the customer's default or voluntary opt out of the AMP. The Company shall review requests for re-enrollment on a case-by-case basis to determine that the foregoing criteria are met.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

X. REPORTING METRICS

The Company shall report monthly and annually the metrics below to allow for the evaluation of the effectiveness of the AMP. The monthly and annual reports shall be submitted to the PUC in Docket No. 4290.

- Number of customers enrolled in the program at the end of the reporting period;
- Number of customers added to the program during the reporting period;
- Number of customers terminated from the program (by choice or default) during the reporting period;
- Number of customers who successfully completed the program during the reporting period;
- Total customer payments during the reporting period;
- Total amount to be forgiven for all participating customers at the end of the reporting period;
- Average amount to be forgiven for all participating customers at the end of the reporting period;
- Total amount to be paid under a payment plan for all participating customers at the end of the reporting period;
- Average arrears balance not yet forgiven of all participating customers at the end of the reporting period;
- Average arrears balance as a percentage of the total balance due for all participating customers at the end of the reporting period;
- Total amount of arrears outstanding for all participants at the end of the reporting period;
- Total amount of forgiveness credits (allowances) given during the reporting period;
- Number of forgiveness credits (allowances) given during the reporting period;
- Average amount of forgiveness credits (allowances) given during the reporting period;
- Number of participants receiving LIHEAP at the end of the reporting period;
- Percentage of participants receiving LIHEAP at the end of the reporting period; and
- Total LIHEAP payments received during the reporting period.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

The Company shall also provide a schedule with the number of customers enrolled in the AMP, by month, together with the number of defaults and program terminations.

XI. COST RECOVERY

The DAC applicable to all the firm rates of the Company are shall contain an Arrearage Management Adjustment Factor (“AMAF”) designed to recover incremental costs incurred associated with the AMP. Incremental costs include the amount of arrearage forgiven. The recovery of the arrearage amounts forgiven by the Company through the AMP is dependent on the following criteria:

- i. If a customer does not satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), the amount of arrearage forgiven by the Company to that point shall remain forgiven and be written off by the Company. However, the amount of arrearage forgiven by the Company is recoverable in full.
- ii. If a customer does satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), all arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year, the Company will perform a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt from the Company’s most recent general rate case. This adjusted allowable bad debt will be calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year Gas Cost Recovery, DAC, and energy efficiency-related bad debt. Should the actual amount of bad debt incurred by the Company for the year exceed this adjusted allowable bad debt amount, the Company will be entitled to recover, in the following year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1(d)(2)(xiv) in the prior year in excess of the allowable bad debt. If, however, the amount of the arrearage forgiven under § 39-2-1(d)(2)(xiv) in excess of the adjusted allowable bad debt for a given year is not significant enough to calculate an annual reconciling factor for that year, the Company may reflect such amount in its next Revenue Decoupling Mechanism reconciliation filing.

The AMAF shall be a uniform per therm factor based on the estimated therms to be delivered by the Company to its gas customers over a 12-month period. For billing purposes, the AMAF will be included with the DAC charge on customers’ bills. Should any balance remain outstanding subsequent to the recovery of costs associated with the AMP as described above, the Company shall reflect this balance as an adjustment in the subsequent period.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

XII. ADJUSTMENT TO RATES

Adjustments to rates pursuant to the Arrears Management Program Provision are subject to review and approval by the PUC. Modifications to the factor contained in this Provision shall be made in accordance with a notice filed with the PUC pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 1 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY FOR NEW INDIVIDUAL RESIDENTIAL CUSTOMERS

When an individual residential customer or a group of individual residential customers¹ (“Customer”) request installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”). This policy shall apply to firm service customers.

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. Main Extension

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described in Item 6 below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

¹A group of residential customers may include a residential subdivision, all or a portion of residential homes along a public way, or a multiple unit building with individually metered residential dwellings.

SERVICE AND MAIN EXTENSION POLICIES

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the distribution charges from the installation of the new facilities. Any revenue from the Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Program Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service Line and Main Extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a callout fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, Department of Environmental Management (“DEM”) permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts, or upgrading of an existing service for added load.

6. Customer Payments

6.1 Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the

SERVICE AND MAIN EXTENSION POLICIES

applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV) analysis to determine the appropriate customer contribution, or CIAC, which includes a tax contribution factor based on the cash contribution and/or value of donated property. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to the Company commencing construction.

6.2 Additional Payment

When, in the Company's opinion, an engineering study is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

6.3 Payment Terms

For CIAC charges up to \$6,000 per Customer, each Customer will be required to pay the entire amount before the start of construction. If an individual Customer's CIAC is greater than \$6,000, the Customer will have the option to either pay the entire amount before the start of construction, or pay \$6,000 before the start of construction and pay the amount in excess of \$6,000 under a payment plan. The terms of the payment plan will be based on equal payments of at least \$75 per month until the amount in excess of \$6,000 is paid in its entirety. The term of the payment plan is not to exceed a period of five (5) years or sixty (60) months. The amount collected under the payment plan will include interest at the rate paid on customer deposits. The Customer can choose to pay the remaining balance at any time within the five-year period without penalty.

6.4 Change of Customer

The Customer must agree, as a condition of the monthly payment terms, that if he/she sells, leases, or otherwise transfers control and use of the property to another individual ("New Occupant"), and such New Occupant opens a new account with the Company, the Customer will obtain an agreement from such New Occupant to pay the remaining balance that would have been owed by the Customer at that location. Otherwise, the Customer will remain personally liable for the balance owed. The Company reserves the right to place a lien on the property until such time that the obligation is fulfilled.

SERVICE AND MAIN EXTENSION POLICIES

6.5 Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request reconciliation in accordance with the following:

6.5.1 Per-Foot Basis

In instances where the Customer has paid a CIAC derived using per-foot rates, the final actual footage for the project exceeds 125 feet, and the difference between the final actual footage and estimated footage exceeds 25 feet then the Company will calculate the difference between the estimated and actual feet multiplied by the per-foot cost. The resulting difference will be refunded to the Customer.

6.5.2 Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

7. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

8. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust CIACs or initiate refunds as appropriate.

9. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s)

SERVICE AND MAIN EXTENSION POLICIES

to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

10. Seasonal Limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

11. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

12. Changes in Policy and Procedures

The policies, procedures, and charges set forth herein are subject to periodic review and may be expanded, updated, revised, and/or modified from time to time at the Company's discretion and with the Division's approval.

13. Thresholds for CIAC Waivers

This matrix below shows, by Customer Subcategory, the service length and or service & main installation combinations that would result in no charge to the Customer. Any variation from what is shown here may result in a cost to the Customer based on length of service line and main, type of service (residential, C&I, etc.) and pipe size. Please contact the Company directly for further information regarding costs related to jobs that exceed the thresholds shown below.

SERVICE AND MAIN EXTENSION POLICIES

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		Conversion	New Homes XXLarge	New Homes XLarge	New Homes Large
Approximate Square Footage			4500	3500	2400
Annual Load (ADTh)		123	255	201	142
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	177	139	96
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	157	119	76
	15	51	146	109	66
	20	41	137	99	56
	25	31	127	89	46
	30	21	117	78	36
	35	11	107	69	26
	40	N/A	97	58	16
	45	N/A	86	48	5
	50	N/A	76	38	N/A
	55	N/A	67	28	N/A
	60	N/A	57	17	N/A
	65	N/A	47	8	N/A
	70	N/A	37	N/A	N/A

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		New Homes Med	New Homes Small	Apartment/Condo Small	Apartment/Condo Large
Approximate Square Footage		1800	1200		
Annual Load (ADTh)		123	108	59	83
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	69	22	48
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	48	N/A	28
	15	51	39	N/A	18
	20	41	29	N/A	7
	25	31	19	N/A	N/A
	30	21	9	N/A	N/A
	35	11	N/A	N/A	N/A
	40	N/A	N/A	N/A	N/A
	45	N/A	N/A	N/A	N/A
	50	N/A	N/A	N/A	N/A
	55	N/A	N/A	N/A	N/A
	60	N/A	N/A	N/A	N/A
	65	N/A	N/A	N/A	N/A
	70	N/A	N/A	N/A	N/A

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 2 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY FOR RESIDENTIAL DEVELOPMENTS

When a developer, contractor, builder or other customer (“Developer”) proposing to construct a residential development or individual homes requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. **Installation of Service Line**

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Developer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. **Main Extension**

The Company will install a “Main” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Developer may be required to pay a CIAC, as described in Item 6 below.

3. **System Reinforcement(s)**

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. **Estimated Revenue**

Before undertaking the construction of new facilities to serve the development, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Developer Obligations

The Developer will be responsible for removal of ledge, trenching and backfilling in accordance with the Company's construction standards. In addition, the Developer will be responsible for:

- i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare design drawings and easements for its facilities to be installed on private property;

SERVICE AND MAIN EXTENSION POLICIES

- ii. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed/referred to above; equipment that is not approved shall not be used without the prior written consent of the Company; and
- iii. turning over ownership of the local gas distribution system to the Company upon inspection and acceptance of such system by the Company.

7. Developer Payments

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Developer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred at CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Developer prior to project implementation. Cost to the Developer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Developer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

SERVICE AND MAIN EXTENSION POLICIES

i. Per Foot Basis

In instances where the Developer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Developer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000 or (b) 10% of the engineering estimate, the Company will recalculate the Developer's CIAC based on actual cost and refund to the customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Developer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Developer Provides Plans and Documentation

The total number of house lots proposed to be constructed ("House Lots") will be provided in advance to the Company by the Developer (prior to the Company building the distribution line), along with an electronic copy (in a format acceptable to the Company) of the subdivision plan approved by the planning board in the applicable community.

The Company may require the Developer to provide, in advance, the following:

SERVICE AND MAIN EXTENSION POLICIES

- (A) a copy of the approval of the planning board for the subdivision;
- (B) a copy of all permits and approvals that have been obtained for constructing the development;
- (C) the name and address of the bank or credit union providing financing for the development, including a contact person and phone number;
- (D) a schedule or Developer's best estimate for the construction of homes in the development; and
- (E) if requested by the Company, such other reasonable information that may be required to confirm the viability of the development.

11. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

12. Gas Service Agreement

The Company will require the Developer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the development, provided that such terms are not inconsistent with the terms expressed in this policy.

13. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

14. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Developer to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Developer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Developer's

The Narragansett Electric Company
d/b/a ~~National Grid~~Rhode Island Energy
RIPUC ~~NGRIE~~-GAS-No. 101B

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SERVICE AND MAIN EXTENSION POLICIES

installation, the Developer will be responsible for obtaining all third party rights or crossings at the Developer's expense.

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 3 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY

FOR COMMERCIAL, INDUSTRIAL AND EXISTING RESIDENTIAL CUSTOMERS

The terms of this policy shall apply when a commercial, industrial or non-residential (a real estate development which is not an approved subdivision of single-family homes) customer ("Customer") requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service ("Request"). This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company ("Company").

1. Installation of Service Line

The Company will install a "Service Line," which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer's building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a "Contribution in Aid of Construction (CIAC)" as described below.

2. Main Extension

The Company will install a "Main," if necessary, to provide natural gas distribution service. A "Main" includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer's benefit.

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, Cost of Gas Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

a. Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

b. System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

c. Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Customer Obligations

The Customer, at no cost to the Company, will be responsible for blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection.

7. Customer Payments

SERVICE AND MAIN EXTENSION POLICIES

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred at CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to project implementation. Cost to the Customer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

i. Per Foot Basis

In instances where the Customer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the

SERVICE AND MAIN EXTENSION POLICIES

actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

11. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

12. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

SERVICE AND MAIN EXTENSION POLICIES

13. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

THE NARRAGANSETT ELECTRIC COMPANY

Rhode Island Public Utilities Commission Tariff

RIPUC RIE-GAS No. 101

THE NARRAGANSETT ELECTRIC COMPANY

RIPUC RIE-GAS No. 101

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GENERAL TERMS AND CONDITIONS**1.0 APPLICABILITY:**

The following terms and conditions shall apply to and be a part of each Rate Classification now or hereafter in effect except as they may be expressly modified or superseded by Rhode Island Public Utilities Commission order.

2.0 RATES AND TARIFFS:

The Company furnishes natural gas service under rates and/or special contracts (Schedule of Rates) promulgated in accordance with the provisions of the Rhode Island General Laws and the regulations of the Rhode Island Public Utilities Commission (“PUC”) and the Rhode Island Division of Public Utilities and Carriers (“Division”), all as may be in effect from time to time. Such Schedule of Rates, which includes these Terms and Conditions, is available for public inspection during normal business hours at the administrative offices of the Company and at the offices of the PUC and the Division or on the Company’s website.

The Schedule of Rates may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in the General Laws and the PUC regulations. When effective, all such revisions, amendments, supplements or replacements will appropriately supersede the present Schedule of Rates. In case of conflict between these Terms and Conditions and any orders or regulations of the PUC or the Division, said orders or regulations shall govern.

The provisions of these Terms and Conditions apply on a non-discriminatory and non-preferential basis to all persons, partnerships, corporations or others (hereinafter Customers or the Customer) who obtain natural gas distribution service from the Company pursuant to the Schedule of Rates.

No representative of the Company has the authority to modify orally any provision or rate contained in the Schedule of Rates or to bind the Company to any promise or representation contrary thereto. Any such modification to the Schedule of Rates or these Terms and Conditions shall be in writing and made in accordance with the provisions of the General Laws and pursuant to regulations of the PUC and Division.

The Company will advise all new residential customers as to the least expensive rate available for the service based on the information in our records. Non-residential customers will be advised of the applicable rate based on a review of the available information in the existing records or as a result of a field inspection by the Company when the customer provides information which is inconsistent with Company records. The Customer is responsible for accurately describing its gas burning equipment and updating the Company as changes occur.

GENERAL TERMS AND CONDITIONS

A Customer is entitled to change its customer account from one rate classification to another upon written application to the Company; provided, however that the customer account's use complies with the conditions specified in the requested rate classification. Once an election to change rate classifications has been made by the Customer, the customer account must remain on that rate for a period of not less than twelve months. In cases where the Customer requests a rate reclassification, no rebate will be granted for service rendered during the period the customer account was served under the previous rate classification, except in instances where the previous rate classification was due to an error by the Company.

3.0 OBTAINING SERVICE FROM THE COMPANY:

The Company shall furnish service to applicants under the filed rates and in accordance with these Terms and Conditions and the rules and regulations of the PUC and the Division. The furnishing of service and acceptance by the Customer constitutes a contract under these provisions. The Company may require at least one person on behalf of all parties who will receive service to sign an application or contract. Application for gas service within the territory served by the Company will be received through any duly authorized representative of the Company. By accepting distribution service from the Company pursuant to the terms of this tariff, a Customer expressly consents to the Company, or anyone working on the Company's behalf, contacting the Customer regarding issues related to distribution service and billing and payment, by any method including telephone, autodialed and prerecorded/artificial voice calls, email, text messages, and/or letter. By contacting the Company, a Customer may opt-out of receiving non-emergency communications through certain methods.

The Company may accept oral or written application for residential service. Residential service may commence upon receipt by the Company of oral application, except that the Company reserves the right to require residential customers to show identification and proof of residency before commencing service. If residential service is commenced upon the receipt of oral application, then all residents at that address who have attained the age of majority may choose to execute a written application, thereby becoming parties to the contract. Non-residential service may commence upon oral application for an interim period pending the receipt of a duly executed written application and security deposit.

The Company reserves the right to refuse service, at any location, to an individual who is indebted to the Company for any service not in dispute before the Division, furnished to such individual at any location, or to such applicant or customer under another name. The Company will commence service if a reasonable payment plan for said indebtedness made in accordance with PUC and Division regulations is agreed to by the Customer and the Company. The Company reserves the right to refuse service to any non-residential applicant who has not paid a deposit as required by the Company.

GENERAL TERMS AND CONDITIONS

A Customer shall be and remains the customer of record and shall be liable for service taken until such time as the Customer requests termination of service and a final meter reading is recorded by the Company. The bill rendered by the Company based on such final meter reading shall be payable upon receipt. Such meter reading and final bill shall not be unduly delayed by the Company. In the event that the Customer of record fails to give notice of termination of service to the Company or fails to provide access to the meter, the customer of record shall continue to be liable for service taken until the Company either disconnects the meter or a new party becomes a customer of the Company by taking service at such service location. Failure to make application for service shall not relieve a party from the obligation to apply and/or pay for service previously used.

The Company shall undertake to furnish service to the Customer for use only for his/her own purposes and only on the premises occupied through ownership or lease by the Customer, except as provided below. In cases where the Customer is a condominium association or the owner or manager of a commercial or residential rental property with over six (6) units, the Customer may allocate the Company charges for gas service to other gas users on the premises through any reasonable means, including properly installed submetering. In such situations where the Customer is allocating the Company charges for service to others, the burden is on the Customer, when requested by the Company, to demonstrate that the allocated charges are no greater than the Customer's bill from the Company. When allocating such charges, the Customer may separately include reasonable administrative fees. Natural gas sold by the Company to authorized natural gas vehicle filling stations may be re-metered or submetered by the Customer for resale to another or others.

On an annual basis the Company may notify all customers that if they are the owners of property and their tenants move out, the owner must provide written notification in advance that he/she wants gas left on at that premises in his/her name. If the Company does not receive advance written notice, the service may be terminated, and the Company will not be liable for any damages to the premises resulting from the termination of gas service.

3.1 BILLING TERMINATION ("Soft-Off"):

Where a customer has requested termination of service and an estimated or actual final meter reading is recorded, and the account is not subject to a shut-off order or request, the Company may choose to utilize a Soft-Off termination.

In the event of a termination of an account for which there is no unbilled consumption, a landlord may initiate an application for service in the landlord's name at that premises by either oral or written request in accordance with Section 1, Schedule A, Paragraph 3.0 of this tariff; provided however, that in the event of a termination of an account for which there is

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any unbilled consumption, a landlord may initiate an application for service in the landlord's name only upon providing the Company with a signed authorization. In addition, where the landlord has previously provided the Company a signed agreement, the Company may record the landlord as the customer of record for that account without further authorization.

When gas consumption at a premises where a Soft Off termination has been implemented exceeds 13 ccf in a month the Company will send a notification to the premises indicating that service will be terminated pursuant to the PUC's and Division's rules and regulations governing the termination of service if an account is not established.

Once metered gas consumption at that premises exceeds an aggregate of 35 ccf or the account is still in a Soft-Off status for a consecutive period of 90 days, whichever occurs first, the Company will commence a termination action for the account, provided however that where such a termination action would affect the statutory and/or termination rights of other gas customers at that location, service will be terminated at the Soft Off premises as soon as the Company is able to accomplish the termination so as not to conflict with the rights provided under the PUC's and the Division's rules and regulations governing the termination of service for the other customers.

4.0 SECURITY DEPOSITS:

Security deposits, letters of credit or bonds may be required and taken in accordance with rules and procedures promulgated by the PUC or other body having authority to regulate the Company. The Company reserves the right to refuse service to an applicant who has not paid a deposit as required by the Company. The rate of interest paid on deposits shall be adjusted annually on March 1. The interest rate in effect in any year shall be based on the average rate over the prior calendar year for 10-year constant maturity Treasury Bonds as reported by the Federal Reserve Board.

5.0 SERVICE SUPPLIED:

The Company shall take reasonable care in providing regular and uninterrupted service to its firm customers, but whenever the Company deems that the situation warrants any interruption or limitation in the service to be rendered, such interruption or limitation shall not constitute a breach of the contract, and shall not render the Company liable for any damages suffered thereby by any person, or excuse the customer from further fulfillment of the contract.

The Company may refuse to supply service to loads of unusual characteristics which, in its sole judgment, might adversely affect the quality of service supplied to other customers, the public safety, or the safety of the Company's personnel. In lieu of such refusal, the Company

GENERAL TERMS AND CONDITIONS

may require a customer to install any necessary regulating and protective equipment in accordance with the requirements and specifications of the Company.

Whenever the estimated expenditures necessary to supply gas to a customer(s) or to resume service to a customer following relocation of Company equipment for reasons other than the needs of the Company shall be of such an amount that the income to be derived from gas service at the applicable rates will, in the opinion of the Company, be insufficient to warrant such expenditure, the Company will require the Customer(s) to pay a Contribution in Aid of Construction (“CIAC”) for meter relocation or for main and service extension. See Section 8, Service and Main Extension Policies. The level of the CIAC will be based on an economic analysis looking at appropriate impacts associated with the capital expenditures. A detailed written cost estimate will be provided to the Customer upon request.

The Company shall make application in a reasonable time for any necessary locations or other street permits required by public bodies for its pipes, mains, and other apparatus, and shall not be required to supply service until a reasonable time after such approvals are obtained. The applicant for service shall obtain all other permits, certificates, licenses, easements and the like necessary to give the Company access to the applicant’s equipment and to enable its pipes to be connected thereto.

The Customer shall notify the Company in writing before making any significant change in the Customer’s gas equipment which would affect the capacity or other characteristics of the Company’s facilities required to serve the Customer. The Customer shall be liable for any damage to the Company’s property caused by Customer’s additional or changed installation if made without prior notification to the Company.

All piping, equipment, and apparatus on the premises of the Customer, except meters, underground service pipe, and governors, shall be furnished and put in place by the Customer, and shall conform to the requirements and regulations of the Company, and the Company shall not be required to supply gas unless such piping, equipment, and apparatus at all times conform to the requirements and regulations of the State, City, and Town ordinances and laws and policies of the Company. The Company shall be under no obligation to make any inspection to ascertain whether the foregoing condition has been conformed with and shall be under no liability for any damages occasioned by any defect in such piping, equipment, or apparatus or other property on the premises.

If temporary service is rendered, the Customer shall pay the cost of service under the rate plus the cost of installing and removing all equipment and connections.

GENERAL TERMS AND CONDITIONS**6.0 INSTALLATION OF METERS:**

The Company will furnish, install, connect, and maintain such meter(s) as are necessary for metering gas service for Company billing purposes.

All gas service to be provided under a single service classification to a customer in a building will be rendered through a single meter except in the instances described in (1) and (2) below:

- (1) The Company may elect to install more than one meter for gas service provided under a single service classification:
 - i. when the use of more than one meter is necessary to provide safe gas service;
 - ii. when the use of more than one meter is required by a municipal ordinance;
 - iii. when one meter cannot correctly measure the total gas service rendered;
 - iv. when the characteristics of gas service of the Customer are such that at the time the service line was installed there was no single meter commercially available to measure the gas service correctly;
 - v. when more than one meter is required in order to render proper and reliable gas service without interruption; or
 - vi. in other comparable circumstances where service cannot practically be rendered through a single meter.

Pursuant to (i) through (vi), when more than one meter is installed to measure the gas service of a single customer at a premise or building under a single service classification under the above listed circumstances, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter.

- (2) At the Customer's written request and at the Customer's expense, the Company will install more than one meter for a building or premise under a single service classification, in which case the quantity of gas supplied through each meter will be measured separately and the bills for each computed separately under the appropriate service classification(s).

Gas service provided to commercial and industrial customers for use by emergency

GENERAL TERMS AND CONDITIONS

back-up natural gas generators of more than 12 kW shall be separately metered subject to the Company's technical determination that more than one meter is required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for emergency back-up natural gas generators to be measured by the Customer's existing meter.

For residential gas services provided pursuant to prior tariff provisions that required that gas service for use by emergency back-up natural gas generators be separately metered and billed, when both meters are served under a single residential service classification, the registrations of the meters will be combined under one customer account and the bill computed as if all service had been rendered through a single meter. Should a residential customer request the removal of one of the meters, the Customer shall bear the cost of removing the meter and the cost of piping through the remaining meter. If the Company, at its sole discretion, decides to remove the additional meter, the Company will bear the cost of the removal of the meter and any piping cost.

7.0 BILLING AND READING OF METERS:

Bills are calculated and rendered on the basis of a customer account which shall have a unique identification number established for the billing of service provided through an individual meter, except for multiple metered customer accounts established pursuant to section (1) of Item 6.0 above, or aggregation pools established pursuant to the Company's Transportation Terms and Conditions, Section 6, Schedule C of the tariff. A single Customer may have more than one customer account.

All bills are due within 25 days from the date of the bill. A late payment charge shall accrue on non-residential bills after 25 days in accordance with regulations of the PUC and the Division.

Customers receiving bills may elect to receive their bill electronically. Customers electing to receive their bills electronically will receive a paperless billing credit as identified in Section 1, Schedule A, Item 12.0.

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, the Customer shall be charged a returned check fee, as identified in Item 12.0, per check or draft written. Such returned check charge shall be waived for customers receiving gas service on low income rate classes Rate 11 and Rate 13.

GENERAL TERMS AND CONDITIONS

The Customer shall be responsible for all charges for distribution and gas service furnished by the Company under the applicable rates as filed from time to time with the PUC, from the time service is commenced until it is terminated.

Annually in August, the Company will review the gas consumption of each non-residential firm customer account for the just ended September through August period to determine if any customer account qualifies for a different rate class. If any such customer account does qualify for a different rate class based on this billing information, then commencing with the September billing month, that customer account will be billed under that new rate class.

Properly authorized representatives of the Company shall have the right to access the Customer's premises at all reasonable times and intervals for the purpose of reading, installing, examining, repairing, replacing, or removing the Company's meters, meter reading devices, pipes, and other gas equipment and appliances, in accordance with the General Laws, public regulations, and Company policy in effect from time to time. The Customer shall be responsible for providing accessibility to the above metering and other equipment belonging to the Company.

Readings taken by an Automated Meter Reading ("AMR") technology will be considered actual readings for billing purposes.

The Company shall maintain the accuracy of all metering equipment installed pursuant hereto by regular testing and calibration in comparison to recognized standards and in accordance with PUC and Division regulations. A meter shall be deemed to be registering correctly if it appears from examination or test that it does not vary more than two percent (2%) from the standard approved by the Division.

In the event that the Company obtains inaccurate meter readings for any reason or in case any meter shall for any reason fail to register the full amount of gas supplied or the maximum demand of any customer account for any period of time, the amount of the bill of such customer account shall be estimated by the Company from available data. Such estimated bills shall be payable as rendered unless a customer disputes such estimate in accordance with procedures established by the Division.

The Company will notify the Customer whenever it obtains information indicating that gas is being diverted from the Customer's service or that the meter has been tampered with. The Customer will be held responsible to the Company for any leakage or other use of gas which may occur beyond the point of the meter installation.

GENERAL TERMS AND CONDITIONS

Unless otherwise determined by the Company, all residential premises shall be equipped with a meter that employs AMR technology utilizing radio frequency transmitters to allow the Company to obtain meter readings remotely. However, residential customers may choose to “opt-out” by having their AMR meter replaced with a non-AMR meter.

Customers who choose to opt-out will be charged an initial fee, as identified in Item 12.0, for the removal of the existing AMR gas meter and the installation of the non-AMR gas meter.

Customers who choose to opt-out will also be charged a monthly meter reading fee for the non-AMR gas meter, as identified in Item 12.0. The meter reading fee is applicable to Customers who receive gas and electric service, or receive gas-only service, from the Company. The Company, at its option, may choose to read the non-AMR meter less frequently than once per month. In that case, or if the Company is unable for any reason to read the meter on the regularly scheduled monthly read date, the Company shall make a reasonable estimate of the consumption of gas during those months when the meter is not read, based on available data, and such estimated bills shall be payable as rendered.

A Customer will not be assessed the initial or monthly fee until after the Company has installed the non-AMR gas meter.

Any opt-out Customer who subsequently wishes to have an AMR gas meter re-installed will be charged a “re-installation fee” as identified in Item 12.0. The re-installation fee will be charged for the removal of the non-AMR gas meter and the installation of the AMR gas meter.

Any Customer electing re-installation will no longer be assessed the special monthly gas meter reading fee after the AMR meter has been re-installed.

8.0 DISCONTINUANCE OF SERVICE:

Subject to the applicable regulations of the PUC and the Division, the Company shall have the right to discontinue gas service to the Customer and to remove or disconnect its meters and piping for nonpayment of bills for gas service. The customer shall be responsible for paying the cost of reconnecting gas service if the service is disconnected for nonpayment of bills or an account restoration charge, as identified in Item 12.0, in the case of a turn-on after a shut-off for nonpayment of bills. Such account restoration charge shall be waived for Customers receiving service on low income rate classes Rate 11 and Rate 13.

The Company reserves the right to disconnect its service at any time without notice or to refuse to connect its service if, to its knowledge and in its judgment, the Customer’s

GENERAL TERMS AND CONDITIONS

installation has become or is unsafe, defective, or in violation of the Company's policies or any ordinances, laws, codes, or regulations.

In the event that any action by the Customer or others shall cause a condition in the premises occupied by any customer whereby life or property is endangered, the Company may discontinue service to said premises regardless of the number of occupants or tenants of said premises.

Whenever the Company shall have proof that any customer is diverting and/or stealing service, the Company may discontinue its service to such customer and remove the meter.

9.0 COMPANY INSTALLATION AND PROPERTY:

All meters, services, and other gas equipment owned by the Company shall be and will remain the property of the Company and no one other than an employee or authorized agent of the Company shall be permitted to remove, operate, or maintain such property. The Customer shall be responsible for all damage to, or loss of, such property unless occasioned by circumstances beyond the Customer's control. Such property shall be installed at points most convenient for the Company's access and service and in conformance with public regulations in force from time to time. The costs of relocating such property shall be borne by the Customer when done at the Customer's request, or for his convenience, or if necessary to remedy any violation of public law or regulation caused by the Customer.

The Company shall provide and maintain the necessary housing, fencing, barriers, and foundations for the protection of the equipment to be installed upon the Customer's premises. Such space, housing, fencing, barriers, and foundations shall be in conformity with applicable laws and regulations and subject to the Company's specifications and approval.

10.0 SUPPLY OF GAS:

The Company shall make every reasonable effort to maintain an uninterrupted supply of gas for all firm customers, but it shall not be liable for loss or damage caused by reason of any interruption or reduction of the supply, or by reason of any abnormal pressure or quality of the gas, whether as a result of accident, labor difficulties, condition of fuel supply, the actions of any public authority, failure to receive any gas for which in any manner it has contracted, the implementation in accordance with good utility practice of an emergency load reduction program by the Company or one with whom it has contracted for a supply of gas, or inability for any other reason beyond the Company's control to maintain normal pressure or quality, or uninterrupted and continuous service.

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Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure and such action shall not be construed to constitute a default nor shall the Company be liable therefore in any respect. The Company will use reasonable efforts under the circumstances to overcome the cause of such curtailment, interruption, or reduction and to resume full performance.

The Company shall be excused from performing under the Schedule of Rates and shall not be liable in damages or otherwise if and to the extent that it shall be unable to do so or prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction in the premises; or by loss, diminution, or impairment of gas supply from its suppliers or the systems of others with which it is interconnected; or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto; the Company shall use reasonable efforts under the circumstances to overcome such cause and to resume full performance.

The foregoing shall not alter the Company's liability under applicable legal standards for damages in the case of its negligent or intentionally wrongful conduct with respect to any act or failure to act by the Company.

11.0 COMPANY LIABILITY:

The Company shall not be liable for any loss or damage resulting from the use of gas or the presence of the Company's appliances and equipment on the Customer's premises unless such loss or damage results directly and solely from the Company's negligence.

The Company shall not, in any event except that of its own negligent acts or omissions, be liable to any party for any direct, consequential, indirect, or special damages, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, or actions taken by the Company, or its agents or employees, under the Schedule of Rates or in accordance with or required by law, including, without limitation, termination of the customer's service.

The Customer assumes full responsibility for the proper use of gas furnished by the Company and for the condition, suitability, and safety of any and all equipment on the Customer's premises, or owned or controlled by the Customer which is not the Company's property. The Customer shall indemnify and save harmless the Company from and against any and all claims, expenses, legal fees, losses, suits, awards, or judgments for injuries to or deaths of

GENERAL TERMS AND CONDITIONS

persons or damage of any kind, whether to property or otherwise, arising directly or indirectly by reason of (1) the routine presence in or use of gas from pipes owned or controlled by the Customer; or (2) the failure of the Customer to perform any of his or her duties and obligations as set forth in the Schedule of Rates where such failure creates safety hazards; or (3) the Customer's improper use of gas or gas appliances. Except as otherwise provided by law, the Company shall be liable for damages claimed to have resulted from the Company's conduct of its business only when the Company, its employees, or agents have acted in a negligent or intentionally wrongful manner.

12.0 SCHEDULE OF ADMINISTRATIVE FEES AND CHARGES:

Account Restoration Charge:	\$96.00
Paperless Billing Credit:	\$0.37/bill/month
Return Check Charge:	\$8.00

Daily Metered Equipment Fee: A customer will be charged for the cost of equipment installed by the Company to provide FT-1 Distribution Service through wireless readings of the Company's meter pursuant to Section 7, Schedule C, Item 2.02.0. The initial lump sum charge is \$1,239.00

Daily Metered Data Plan Fee: A customer will be charged annually for the data plan associated with FT-1 Distribution Service pursuant to Section 7, Schedule C, Item 2.02.0. The annual data plan fee is \$17.00

AMR Opt-Out Fees:

<u>Removal of AMR Meter/Installation of Non-AMR Meter:</u>	\$74.00
<u>Monthly Meter Reading Fee:</u>	\$13.00
<u>Reinstallation of AMR Meter:</u>	\$74.00

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Actual Base Revenue Per Customer:	The actual base revenue for a rate class for a month divided by the actual number of customers billed for each rate class in the month.
Actual Transportation Quantity:	The quantity of gas actually received during the Gas Day as measured by the metering equipment at the Point(s) of Receipt, adjusted for the applicable Company Fuel Allowance.
Aggregation Pool:	One or more transportation Customer accounts whose gas usage is aggregated into a Marketer's account for operational purposes, including but not limited to nominating, scheduling and balancing gas deliveries to specified Point(s) of Receipt.
Average Normalized Winter Day Usage:	A Customer's average normal winter day's usage, based on their actual gas usage during the most recent November through March period, adjusted for normal degree days, as approved in the most recent general rate case.
Base Revenue:	Base Revenue is the sum of the customer charge, variable distribution charges and demand charges for firm service rate classes. Base Revenue is net of Gross Earnings Tax (GET).
BTU content factor:	One British thermal unit (i.e., the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees (60°) Fahrenheit). A Therm is one hundred thousand Btus. The BTU content factor for a given volume shall be calculated by the Company on a seasonal basis at the end of October and the end of April based upon an average of the Transporting Pipeline's prior six-month experience of recorded BTU factors.
Capacity Release Revenues:	Revenues derived from the sale of capacity upstream of the city-gate.
Capacity Exempt Customer:	Any Customer who is the customer of record at a location having a Capacity Exemption.
Capacity Exemption:	A location having Gas Usage that is not subject to a mandatory pipeline capacity assignment from the Company. Customers are

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capacity exempt if they (1) elected to retain their Capacity Exemption at a specific location as part of the 1999 revisions to the Company's Business Choice program in Docket RIPUC 2902, (2) receive delivery service on the Company's Non-Firm Sales or Non-Firm Transportation rate schedules, or (3) elected capacity exemption as a New Customer in accordance with Section 6, Transportation Terms and Conditions, Schedule C, Part 1.07.1.

Company Fuel
Allowance:

The quantity in Therms (as calculated on a percentage basis) by which the gross amount of gas received for Customer's account at the Point(s) of Receipt is reduced in kind in order to compensate the Company for gas loss and unaccounted for, Company use or similar quantity-based adjustment.

Consumption
Algorithm:

A mathematical formula used to calculate a Customer's daily consumption based on the Customer's historical base load and heat use per heating degree day factor.

Critical Day:

Defined as any day where supply resource constraints are expected to adversely impact the operation of the Company's distribution system. A Critical Day may occur under conditions, such as severe cold temperatures, pipeline emergencies, malfunctions or unusual, out-of-season weather conditions.

Customer:

Any party(s) that has obtained service from the Company pursuant to the General Terms and Conditions or pursuant to the Transportation Terms and Conditions.

Daily Index:

The mid-point of the range of prices for the respective New England Citygates as published by Gas Daily under the heading "Daily Price Survey, Midpoint, Citygates, Algonquin Citygates" and "Daily Price Survey, Midpoint, Citygates Tennessee/Zone 6 (delivered)" for the relevant Gas Day listed under "Flow date(s)." In the event that the Gas Daily index becomes unavailable, the Company shall apply its daily marginal cost of gas as the basis for this calculation until such time that PUC approves a suitable replacement.

Deferred Balance:

The difference between incurred costs and revenues received.

DEFINITIONS

Deferred Gas Cost Balance:	The difference between gas costs incurred and gas revenues received.
Dekatherm (Dt):	Ten Therms or one million Btu's (MMBtu).
Design Winter Sales Sendout:	Sales sendout of Residential Non-Heating, Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I during November through March based on design winter temperatures.
Division	The Rhode Island Division of Public Utilities and Carriers.
Electronic Bulletin Board (EBB):	An internet web site which allows both the Company and Marketers to electronically post nominations and other transportation-related information.
EDI	Electronic Data Interchange, the system by which the Company and Marketers initiate transactions and share information.
Environmental Response Costs:	All reasonable and prudently incurred costs associated with evaluation, remediation, clean-up, litigation, claims, judgments, insurance recovery (net of proceeds), and settlements arising out of the Company's utility-related ownership, operation, or use of: (1) manufactured gas production and storage facilities and disposal sites where wastes and materials from such facilities were deposited; (2) mercury regulators; and (3) meter disposal. Also included are the reasonable and prudently incurred costs for acquiring plant, property and equipment to facilitate remediation and other appropriate environmental management objectives in connection with the above sites, properties, and activities. The Company will use its best efforts to minimize Environmental Response Costs consistent with applicable regulatory requirements and sound environmental management policies and practices.
Forecasted Daily Usage (FDU):	Customer's estimated daily consumption for the next gas day as calculated by the Company based upon a forecast of heating degree days and the consumption algorithm.

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Gas Day:	A period of twenty-four (24) consecutive hours beginning at 10:00 am (EST) and ending at 10:00 am (EST) the next calendar day.
Gas Usage:	The actual quantity of gas used by the Customer as measured by the Company's metering equipment at the Point of Delivery and converted to Therms.
Hedge Collateral:	Funds the Company is required to put up as collateral on hedge positions by an exchange or counterparty, or funds it receives from an Exchange or counterparty as collateral.
Hedge Collateral Carrying Costs:	<p>For the month being calculated, carrying costs equal the total of the following: (1) For each exchange or counterparty holding the Company's collateral, the monthly short term borrowing rate defined as the Company's money pool rate, times the average hedge collateral daily balance for the month divided by 12, less (2) for each exchange or counterparty where the Company holds their collateral, the monthly short term borrowing rate times the average hedge collateral daily balance for the month divided by 12, less (3) any interest paid to the Company by the exchange or counterparty on the collateral funds it holds.</p> <p>The Company will recover carrying costs from customers or credit customers for carrying costs through the Gas Adjustment. In the event the Company chooses to meet its collateral obligations by posting a letter of credit or other non-cash instrument, the carrying cost will be the direct costs of the letter of credit or alternative non-cash instrument.</p>
Imbalance:	The difference between the Actual Transportation Quantity and Gas Usage.
Interest on Deferred Balance:	Interest revenue/expense required to finance the deferred balance based on the Bank of America Prime Rate less 200 basis points (2%) as in effect from time to time.
Inventory Finance	

DEFINITIONS

Charge:	Finance charges associated with the storage of natural gas as calculated using a working capital calculation.
Local Storage Costs:	Costs associated with the investment, operations, and maintenance of natural gas storage downstream of the city-gate.
Marginal Gas Cost:	The variable cost of the Company's marginal source of supply for the Gas Day. Incremental Cost is a synonymous term.
Marketer:	An entity meeting the eligibility requirements of Section 6, Schedule C, Item 5.03, that is designated in a Transportation Service Application by the Customer to act on its behalf for nomination, notification, scheduling, balancing, and receipt of communications, and which has executed a Marketer Aggregation Pool Service Agreement. A Customer may designate itself as the Marketer provided that they have an executed service agreement with the Transporting Pipeline or provide proof of contract to purchase the gas at the Company's city gate.
Maximum Daily Quantity:	The maximum quantity of gas a customer is authorized to use during the gas day.
Monthly Index:	The simple average of the Daily Indices for the applicable month.
Net Insurance Recoveries:	Proceeds recovered from insurance providers and third parties for Environmental Response Costs, less the cost of obtaining such proceeds through claims, settlements, and litigation.
New Customer:	A Customer taking a supply of gas at a new Point of Delivery that has not been previously served by the Company.
Non-Firm Customer:	A customer who receives service under the Company's Non-Firm rate class.
Non-Firm Transportation Margin:	Margins derived from the transportation of natural gas to non-firm customers downstream of the city gate.
Off-System Sales Margins:	Margins derived from the sale of natural gas upstream of the city-gate.

DEFINITIONS

Operational Flow Order:	The Company's instruction to Marketers and/or Customers to take such action as conditions require, including, but not limited to, diverting gas to or from the Company's distribution system pursuant to Section 6, the Transportation Terms and Conditions, Schedule C, Item 1.04.2.
Peak Day Use:	The estimated use of a customer on the forecasted Gas Day during which the Company's system experiences the highest aggregate Gas Usage. It is calculated by estimating the customer's average use on a day when heat is not required (the baseload use) and the average use per degree day (the heating use) based on the customer's historical usage history. In the event the customer's historical usage is unavailable or not representative of expected future use, the Company will evaluate the customer's gas equipment and its projected utilization in order to calculate the customer's estimated use. The Peak Day Use equals the baseload use plus the product of the use per degree day times the design degree day value as approved by the PUC.
Pipeline Costs:	Costs associated with the entitlement and transmission of natural gas on the interstate pipeline system.
Pipeline Shipper(s):	The party(s) from whom a Marketer has purchased gas to be delivered to and transported by the Company.
Point of Delivery:	A location at which the Company's distribution facilities are interconnected with the Customer's facility.
Point(s) of Receipt:	Outlet side of the measuring station at the interconnection between the Transporting Pipeline and the Company's distribution facilities where gas will be received by the Company for transportation service in its service territory.
PUC	The Rhode Island Public Utilities Commission.
Purchased Gas Working Capital:	The working capital required to finance the Company's purchased gas.
Refunds:	Refunds from pipeline, storage, and suppliers.

DEFINITIONS

Scheduled Transportation

Quantity:

The quantity of gas scheduled by the Marketer to be received by the Company for Customer's account during the Gas Day at the Point of Receipt, including the applicable Company Fuel Allowance.

Service Quality Performance

Fund:

Deferred account containing accumulated Service Quality adjustments.

Soft-Off

The termination of an account by the Company for billing purposes where there is no new customer of record and the actual flow of gas to the premises is not disconnected.

Supplier Costs:

Costs associated with the entitlement and purchase of natural gas.

Target Revenue Per

Customer:

For the period through August 2018, the target revenue per customer amount is that established in Docket 4323. For the period beginning September 2018, it shall be the target revenue per customer established in Docket 4770.

Therm:

An amount of gas having a thermal content of 100,000 Btus.

Transportation

Imbalance Revenues:

Revenues associated with daily and monthly imbalances for transportation customers, as included in the Company's Terms and Conditions of Firm Transportation.

Transporting Pipeline:

The party(s) engaged in the business of rendering transportation service of natural gas in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission, which are transporting gas for Marketer to a Point of Receipt of the Company.

Upstream Storage

Costs:

Costs associated with the entitlement, injection, withdrawal, and storage of natural gas upstream of the city-gate.

Working Capital:

The dollar amounts required to support the Company's activities prior to the receipt of revenue.

TAXES AND SURCHARGES

1.0 RHODE ISLAND GROSS EARNINGS TAX:

Unless otherwise indicated, all rates exclude an amount necessary for the payment of Rhode Island Gross Earnings Tax. An amount necessary for the payment of Rhode Island Gross Earnings Tax will be separately identified on bills rendered to customers.

2.0 GROSS EARNINGS TAX REDUCTION FOR MANUFACTURERS:

Consistent with the gross earnings tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be billed the applicable Rhode Island Gross Earnings Tax (GET). The Customer is responsible for providing to the Company in writing its tax exemption number and other appropriate documentation. If the Company collected any taxes or assessments from the Customer and is later informed by the Customer that the Customer is exempt from such taxes, it shall be the Customer's responsibility to obtain any refund from the appropriate governmental taxing agency.

Eligible manufacturing customers are those Customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30 (7) of Rhode Island General Laws) indicating the Customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a Customer, the Customer will be required to reimburse the Company in the amount of the credits provided to such Customer which were disallowed, including any interest required to be paid by the Company to such authority.

The Division of Taxation has indicated that it will generally deem 95% of manufacturer's volumes to be for "manufacturing use" eligible for the reduced manufacturer's Gross Earnings Tax rate. Thus, unless usage is separately metered for manufacturing only, 95% of billed amounts for qualified customers will be deemed to be for manufacturing purposes and eligible for the manufacturer's GET credit, whereas the remaining 5% of the billed amount will be subject to the standard GET rate. If usage is separately metered for manufacturing use only, the entire amount will be subject to the reduced manufacturing GET rate.

No other use of gas will be included in this rate for billing purposes.

3.0 OTHER RHODE ISLAND TAXES:

Where applicable at rate or rates in effect from time to time.

TAXES AND SURCHARGES

4.0 ENERGY EFFICIENCY SURCHARGE:

As provided for in Section 39-1-27.7 and Section 39-2-1.2 of Rhode Island General Laws, a charge per dekatherm (Dt) designed to recover the costs of the Company's gas Energy Efficiency Program ("EEP").

With the filing of the Company's EEP plan for the upcoming calendar year, the Company will file its EEP per Dt charge on or before October 1 of each year. In any year in which the Company is required to file a triennial Energy Efficiency Procurement plan, the Company will file the EEP Charge by October 15. The EEP Charge shall be effective on the following January 1. The EEP charge will be designed to collect the estimated costs of the Company's EEP plan for the upcoming calendar year plus a full reconciliation of all costs and revenues for the current year including a reconciliation of forecasted revenue and costs for months of the current year for which actual data is not available at the time of the filing. Any projected amounts included in the EEP charge filing are subject to reconciliation to actual amounts and any difference will be reflected in a future EEP charge filing. Upon approval by the PUC, such a charge (adjusted for the uncollectible percentage approved in the most recent general rate case) shall become effective with usage on or after the effective date.

The Company may file to change the EEP charge at any time should significant over- or under-recoveries occur.

GAS COST RECOVERY CLAUSE

1.0 GENERAL:

1.1 Purpose:

The purpose of this clause is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and the weighted average cost of upstream pipeline transportation capacity in order to recover the costs of gas supplies, pipeline and storage capacity, production capacity and storage, purchased gas working capital, and to credit supplier refunds, capacity credits from off-system sales and revenues from capacity release transactions.

The Gas Cost Recovery Clause shall include all costs of firm gas, including, but not limited to, commodity costs, demand charges, hedging and hedging related costs, local production and storage costs and other gas supply expense incurred to procure and transport supplies, transportation fees, inventory finance costs, requirements for purchased gas working capital, all applicable credits, taxes, and deferred gas costs. Any costs recovered through the application of the Gas Charge shall be identified and explained fully in the annual filing.

1.2 Applicability:

The Gas Charge shall be calculated separately for the following rate groups:

- (1) Residential Non-Heating, Low Income Residential Non-Heating, Large C&I High Load Factor, Extra Large C&I High Load Factor;
- (2) Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large C&I Low Load Factor, and Extra Large C&I Low Load Factor; and
- (3) FT-2 Firm Transportation – Marketers.

The Company will make annual Gas Charge filings based on forecasts of applicable costs and volumes and annual Reconciliation filings based on actual costs and volumes. The Gas Charge shall become effective with consumption on or after November 1 as designated by the Company. In the event of any change subsequent to the November effective date which would cause the estimate of the Deferred Gas Cost Balance to differ from zero by an amount greater than five percent (5%) of the Company's gas revenues, the Company may make a Gas Charge filing designed to eliminate that non-zero balance.

Unless otherwise notified by the PUC, the Company shall submit the Gas Charge filings no later than sixty (60) days before they are scheduled to take effect. The Annual Reconciliation filing will be made by July 1 of each year containing actual data for the twelve months ending March 31 of that year.

GAS COST RECOVERY CLAUSE

2.0 GAS CHARGE FACTORS

2.1 Gas Charges to Sales Customers:

The Gas Charge consists of two (2) components: (1) Fixed Costs and (2) Variable Costs. These components shall be computed using a forecast of applicable costs and volumes for each firm rate schedule based on the following formula:

$$GC_s = FC_s + VC_s$$

Where:

GC_s Gas Charge applicable to High Load Factor sales rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor sales rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).

FC_s Fixed Cost Component for a rate classification. See Item 3.1 for calculation.

VC_s Variable Cost Component for a rate classification. See Item 3.2 for calculation.

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

2.2 Gas Charge to FT-2 Marketers:

The FT-2 Demand Rate (SDC_M) recovers fixed costs associated with storage and peaking resources including pipeline supplies designated by the Company for peaking purposes. See item 3.3 for calculation.

The FT-2 Variable Charges for underground storage components consist of the following:

SLF The Company's weighted average loss factor on storage withdrawals across all storage contracts.

WWCC The Company's weighted average commodity cost of storage withdrawals under all storage contracts.

GAS COST RECOVERY CLAUSE

PLF The Company's weighted average loss factor on pipeline contracts used to deliver storage withdrawals to the system.

PCC The Company's weighted average commodity cost on pipeline contracts used to deliver storage withdrawals to the system

This calculation will be adjusted for the uncollectible percentage approved in the most recent general rate case and the Gas Charges to Sales Customers are subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

3.0 GAS CHARGE CALCULATIONS

3.1 Supply Fixed Cost Component:

The Supply Fixed Cost Component shall include all fixed costs related to the purchase, storage, or delivery of firm gas, including, but not limited to, pipeline and supplier fixed reservation costs, demand charges, operation and maintenance costs for storage facilities and other fixed gas supply expense incurred to transport or store supplies, transportation fees, and requirements for purchased gas working capital. Any costs recovered through the application of the Supply Fixed Cost Component shall be identified and explained fully in the annual filing.

The Supply Fixed Cost Component is calculated for each applicable rate schedule as follows:

$$FC_S = \frac{DWS_S \times (TC_{FC} - TR_{FC} + WC_{FC} + R_{FC} - (SDC_M \times MDQ_{SM} \times 12))}{Dts}$$

Where:

FC_S Supply Fixed Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).

DWS_S Percent of Design Winter Sales Sendout (November - March) for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large High Load C&I and Extra-Large High Load C&I) and Low Load factor rates (Residential Heating, Low Income

GAS COST RECOVERY CLAUSE

Residential Heating, Small C&I, Medium C&I, Large Low C&I and Extra Large Low Load C&I).

TC_{FC}	Total Fixed Costs, including, but not limited to pipeline, storage, and supplier reservation and supply related local production and storage costs. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
TR_{FC}	Credits to Fixed Costs relating to supply services, including, but not limited to Marketer capacity release revenues, the amount forecasted to customers under the Natural Gas Portfolio Management Plan (“NGPMP”) for the November to October period, and forecasted gas costs relating to supplies required to maintain system pressures on the Company’s distribution system, as defined in Section 3, Item 3.1.
WC_{FC}	Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.
R_{FC}	Deferred Fixed Cost Account Balance as of October 31, as derived in Item 6.0 less the amount guaranteed to customers under the NGPMP and, following approval by the PUC, the net positive revenue from optimization transactions reduced by the guaranteed amount and the Company incentive under the Plan.
SDC_M	FT-2 Storage Demand Charge rate charged to Marketers based on their Maximum Daily Quantity of storage gas. See Item 3.3 for calculation.
MDQ_{SM}	Storage Forecast of Maximum Daily Quantity to be billed to Marketers.
Dts	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.

3.2 Supply Variable Cost Component:

The Supply Variable Cost Component shall include all variable costs of firm gas, including, but not limited to, commodity costs, taxes on commodity and other gas supply expense incurred to transport supplies, transportation fees, and requirements for purchased gas working capital, storage commodity costs, taxes on storage commodity and other gas storage expense incurred to transport supplies,

GAS COST RECOVERY CLAUSE

transportation fees, inventory commodity costs, and inventory financing costs. Any costs recovered through the application of the Supply Variable Cost Component shall be identified and explained fully in the annual filing.

The Supply Variable Cost Component is calculated for each applicable rate schedule as follows:

$$VC = \frac{TC_{VC} - TR_{VC} + WC_{VC} + R_v + IF_s}{Dt_{VC}}$$

Where:

VC	Supply Variable Cost Component for High Load Factor rates (Residential Non-Heating, Low Income Residential Non-Heating, Large and Extra Large High Load C&I) and Low Load Factor rates (Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large and Extra Large Low Load C&I).
TC _{VC}	Total Supply Variable Costs, including, but not limited to pipeline, supplier, storage, commodity-billed pipeline transition costs, and any hedge, hedging related cost or the carrying cost on hedge collateral.
TR _{VC}	Total Credits to Supply Variable Costs, including, but not limited to balancing commodity charge revenues and transportation imbalance charges.
WC _{VC}	Working Capital requirements associated with Total Supply Variable Costs. See Item 5.0 for calculation.
R _v	Deferred Cost Account Balance as of October 31, as derived in Item 6.0 plus the net of any Gas Procurement Incentives/Penalties associated with the Gas Procurement Incentive Plan.
Dt _{VC}	Forecast of annual sales to Residential Non-Heating, Low Income Residential Non-Heating, Residential Heating, Low Income Residential Heating, Small C&I, Medium C&I, Large Low and High Load C&I, and Extra Large Low and High Load C&I.
IF _s	Inventory Finance Cost as calculated in Item 4.0 below.

GAS COST RECOVERY CLAUSE

3.3 FT-2 Storage Demand Charge:

The FT-2 Storage Demand Charge (SDC_M) shall include all fixed costs related to the operations, maintenance, and delivery of storage, including, but not limited to, the supply-related portion of local production and storage costs, delivery of storage gas to the Company's Distribution System, Storage Inventory Financing Charges and requirements for purchased gas working capital. Any costs recovered through the application of the Storage Demand Charge shall be identified and explained fully in the annual filing.

The Storage Demand Charge Component is calculated for the FT-2 rate schedule as follows:

$$\text{SDC}_M = \frac{\text{TFC}_S + \text{IF}_S + \text{WC}_S}{\text{MDQ}_S \times 12}$$

Where:

SDC _M	FT-2 Storage Demand Charge in \$/per Maximum Daily Quantity of Storage gas to be charged to Marketers.
TFC _S	Total Storage Fixed Costs, equals all fixed costs of storage, including, but not limited to, the supply related portion of local production and storage costs, taxes on storage, any demand or fixed charges associated with storage or delivery of storage gas to the Company's Distribution System, and any demand or fixed pipeline reservation charges designated by the Company as a peaking resource. The level of supply-related local production and storage costs shall be determined annually as estimated by the Company.
IF _S	Inventory Finance Cost as calculated in Item 4.0 below.
MDQ _S	The total maximum daily quantity of storage gas in Dekatherms deliverable to the Company's Distribution System using the LNG facilities, storage resources, and pipeline contracts related to storage delivery.
WC _{FC}	Working Capital requirements associated with Supply Fixed Costs. See Item 5.0 for calculation.

GAS COST RECOVERY CLAUSE

4.0 INVENTORY FINANCING:

$$IF_s = (ASB_U + ASB_L) \times COC$$

Where:

IF_s	Inventory Finance Charges for storage
ASB_U	Average underground storage balance
ASB_L	Average LNG storage balance
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause Filing.

5.0 WORKING CAPITAL REQUIREMENT:

$$WC_M = WCA_M \times [DL \div 365] \times COC$$

Where:

WC_M	Working Capital requirements of Supply Fixed (WC_{FC}) and, Storage Fixed (WC_{SFC}), Supply Variable (WC_{SV}), Storage Variable Product (WC_{SVC}) or Storage Variable Non-product (WC_{SVNC}) Cost Components.
WCA_M	Working Capital Allowed in the Supply Fixed, Storage Fixed, and Supply Variable, Storage Variable Product, or Storage Variable Non-product Cost component calculations.
DL	Days Lag approved in the most recent general rate case.
COC	Weighted Pre-tax Cost of Capital, consisting of three components: Short-term Debt, Long-term Debt, and Common Equity. The Common Equity components shall reflect the rates approved in the most recent general rate case. The Short-term debt component shall be based on the Company's actual short-term borrowing rate for the twelve months ended March as presented in the Company's annual Distribution Adjustment Clause (DAC) filing in support of the Earnings Sharing Mechanism (ESM). The long-term debt

GAS COST RECOVERY CLAUSE

component will be based on the Company's actual long-term borrowing rate as presented in the Company's annual DAC filing.

6.0 DEFERRED GAS COST ACCOUNTS:

The Company shall maintain two (2) separate Deferred Gas Cost Accounts: (1) Fixed Costs and revenues and (2) Supply Variable Costs and revenues. Entries shall be made to each of these accounts at the end of each month as follows:

An amount equal to the allowable costs incurred less:

1. Gas Revenues collected adjusted for the RIGET and uncollectible percentage approved in the most recent general rate case;
2. Credits to costs, including but not limited to GCR Deferred Responsibility surcharge/credits and Transitional Sales Service (TSS) surcharge revenues, and including
3. Monthly interest based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning-of-the-month balance and the balance after entries 1. and 2. above.

7.0 REFUNDS:

Any refund associated with the Company's total gas cost for Sales customers shall be credited to the Deferred Cost Account.

8.0 WEIGHTED AVERAGE UPSTREAM PIPELINE TRANSPORTATION COST:

At the request of a marketer or the Division, the Company will provide within 21 days an estimate of the pipeline path costs for the next GCR year beginning November 1. The estimate will be based on the most recent GCR filing updated for current commodity pricing and other known changes which would significantly affect the factor. Concurrent with the annual GCR filing, the Company shall calculate the final weighted average cost of upstream pipeline transportation capacity. The cost shall be applicable to capacity release under the Transportation Terms and Conditions effective November 1 of each year or at such time as the PUC approves the rates.

GAS COST RECOVERY CLAUSE

9.0 DEFERRED GAS COST RESPONSIBILITY:

Under the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.0, if a Customer who has been receiving firm sales service and elects to transfer to transportation service to purchase gas from a Marketer, the Customer is responsible for their portion of the deferred gas cost balance. The calculation of any under-recovered or over-recovered gas cost attributable to the Customer's prior service will be charged or credited to the Customer's account at the time transportation service is initiated.

9.1 Factor Calculations:

The calculation of the Customer's deferred gas cost balance consists of: (1) the prior period deferred gas cost reconciliation amount reflected in the Company's current Gas Charge; and (2) any incremental under-recovery or over-recovery of actual costs versus projected costs that accrue while the current Gas Charge is in effect.

The first component is calculated on the basis of the Company's Gas Charge filing with the PUC in accordance with the following formula:

$$\text{PPF} = \frac{\text{DAB}_B}{\text{Dts}}$$

Where:

PPF Prior Period Factor as a \$/Dt.

DAB_B Deferred Gas Cost Account Beginning Balance for the first month covered under the Gas Charge filing.

Dts Forecast of sales volumes for the period covered by GCC filing.

The second component is calculated on a quarterly basis and represents the additional deferral balance since the balance determined in the Company's last Gas Charge filing. The factor is calculated as follows:

$$\text{IDF} = \frac{\text{DQB}_E - \text{PDAB}_B}{\text{Dt}_a}$$

Where:

GAS COST RECOVERY CLAUSE

- IDF Incremental Deferred Gas Cost Balance Factor as a \$/Dt.
- DQB_E Actual Deferred Gas Cost Account Ending Balance for a quarter
subsequent to the PPF.
- PDAB_B Projected Deferred Gas Cost Account Ending Balance for the quarter
subsequent to the PPF.
- Dt_a Actual sales volumes for the quarter(s) subsequent to the PPF.

9.2 Application of Factors:

The customer's total Deferred Gas Cost Responsibility will equal the sum of the following:

- (1) The PPF times: (a) the Customer's prior GCR year's total Dt minus (b) the Customer's current year's Dt where the current GCR year's Dt reflects the period the customer has been billed the current Gas Charge; and
- (2) The IDF times the Customer's Dt during the period covered by the IDF.

DISTRIBUTION ADJUSTMENT CLAUSE

1.0 GENERAL

1.1 Purpose:

The purpose of the Distribution Adjustment Clause (“DAC”) is to establish procedures that allow the Company, subject to the jurisdiction of the PUC, to annually adjust its rates for firm sales and transportation in order to recover, credit, or reconcile the following:

- (1) the system pressure costs;
- (2) the costs of the Infrastructure, Safety, and Reliability Plan;
- (3) the amortization of the most recent ten years of Environmental Response costs;
- (4) Pension costs and Post-retirement Benefits Other than Pensions expenses;
- (5) to credit any Service Quality Performance penalties;
- (6) any over or under collections of revenue under the Revenue Decoupling mechanism;
- (7) the previous year DAC items;
- (8) any Earnings Sharing;
- (9) any Residential Assistance costs; and
- (10) the net revenue received for Storm Restoration services provided in other jurisdictions.

Any costs recovered through the application of the Distribution Adjustment Charge shall be identified and explained fully in the annual Distribution Adjustment Charge filing.

1.2 Applicability:

The Distribution Adjustment Charge will be applied to sales and transportation volumes under each of the Company’s firm rate schedules.

The Company will make annual DAC filings and its annual Reconciliation filings based on actual costs and volumes available at the time of filing as well as forecasts of applicable costs and volumes through October of that year. With the exception of the Infrastructure, Safety and Reliability component described in Item 3.2.2, the Distribution Adjustment Charge shall become effective with consumption as of November 1 each year.

Unless otherwise notified by the PUC, the Company shall submit the Distribution Adjustment Charge filings no later than 90 days before they are scheduled to take effect, provided however that the Revenue Decoupling Adjustment component of the

DISTRIBUTION ADJUSTMENT CLAUSE

Distribution Adjustment Charge filing will be made July 1 annually. The Annual Reconciliation filing will be made by August 1 of each year.

2.0 DISTRIBUTION ADJUSTMENT CHARGE:

The Distribution Adjustment Charge will consist of an annual System Pressure factor, an Advanced Gas Technology factor, an Infrastructure, Safety, and Reliability factor, an Environmental Response Cost factor, a Pension Adjustment Mechanism factor, a Service Quality Performance factor, a Revenue Decoupling Adjustment factor, and a Reconciliation of deferred account balance factor, an Earnings Sharing Mechanism factor, a Low Income Discount Recovery Factor, a Storm Net Revenue Factor and an Arrearage Management Adjustment Factor. The Distribution Adjustment Charge is calculated as follows:

$$DAC = SP + ISR + ERCF + PAF + SQP + RDA + AMAF + R + ESM + LIDRF + SNR$$

Where:

DAC	Distribution Adjustment Charge applicable to all firm throughput.
SP	System Pressure factor. See Item 3.1 for calculation.
ISR	Infrastructure, Safety, and Reliability factor. See Item 3.2 for calculation.
ERCF	Environmental Response Cost Factor. See Item 3.3 for calculation.
PAF	Pension Adjustment Factor. See Item 3.4 for calculation.
SQP	Service Quality Performance Factor. See Item 3.5 for calculation.
RDA	Revenue Decoupling Adjustment factor. See Item 3.6 for calculation.
AMAF	Arrearage Management Adjustment Factor. See Item 3.7 for calculation.
LIDRF	Low Income Discount Recovery Factor. See Item 3.8 for calculation.
SNRF	Storm Net Revenue Factor. See Item 3.9 for calculation.
R	Reconciliation of deferred account balances as of October 31. See Item 4.0 for calculation.
ESM	Earnings Sharing Mechanism Factor. See Item 5.0 for calculation.

DISTRIBUTION ADJUSTMENT CLAUSE

The Distribution Adjustment Charge, excluding the RDA, shall be increased by the uncollectible expense percentage approved in the most recent general rate case.

3.0 DISTRIBUTION ADJUSTMENT CALCULATIONS

3.1 System Pressure Factor:

The System Pressure factor shall be computed in a manner that identifies and includes all fixed and variable gas supply costs required on an annual basis to maintain pressure within the Company's distribution system and shall identify and consider all gas supply costs that are required to maintain pressure for all portions of the Company's distribution system. The System Pressure factor shall also include a reallocation of fixed gas costs incurred to meet peak hour requirements from the Company's GCR to the DAC:

$$SP = \frac{(GCSP \times SP\%) + GCPH}{Dt_T}$$

Where:

SP	System Pressure Amount.
GCSP	Forecasted Gas Costs associated with supply used to maintain system pressures, including both demand and commodity costs.
SP%	Percent of supply used to maintain system pressures, as established in the most recent general rate case or DAC proceeding.
GCPH	Forecasted fixed Gas Costs incurred to meet the peak hour requirements.
Dt _T	Forecasted annual firm throughput.

3.2 Infrastructure, Safety and Reliability Plan:

3.2.1 Gas Infrastructure, Safety, and Reliability Plan Filing:

DISTRIBUTION ADJUSTMENT CLAUSE

In compliance with R.I.G.L. Section 39-1-27.7.1, no later than January 1 of each year, the Company shall submit to the PUC a Gas Infrastructure, Safety, and Reliability Plan (Gas ISR Plan) for the upcoming fiscal year (April to March) for review and approval within 90 days. The Gas ISR Plan shall include the upcoming fiscal year's forecasted capital investment on its gas distribution system infrastructure and may include any other costs relating to maintaining safety and reliability that have been mutually agreed upon by the Division and the Company.

3.2.2 Infrastructure, Safety and Reliability Factor:

Effective each April 1, the Company shall recover through a change in Distribution Adjustment Charge rates the Cumulative Revenue Requirement on the Adjusted Cumulative Non-growth Capital Investment as approved by the PUC in the Company's annual gas infrastructure, safety, and reliability filings less the amount included in rate base for base rate purposes. For purposes of this section, non-growth capital shall exclude general plant (FERC Accts 389 through 399). The Cumulative Revenue Requirement shall mean the return and taxes on year-end Adjusted Cumulative Non-growth Capital Investment, at a rate equal to the pre-tax weighted average cost of capital as approved by the PUC in the most recent general rate case, plus the annual depreciation net of depreciation expense attributable to general plant that was approved by the PUC in the Company's most recent general rate case adjusted, if appropriate, by later proceedings related to capital, plus the annual municipal property tax recovery mechanism.

The Adjusted Cumulative Non-growth Capital Investment shall mean the cumulative actual non-growth capital investment recorded as in service since the end of the Company's rate year in its most recent general rate case, reflecting any difference between Actual Non-Growth Investment and Forecasted Non-Growth Investment for any period during which Forecasted Non-Growth Investment has not been reconciled to Actual Non-Growth Investment including through the end of the Company's rate year in its last general rate case. Cumulative Revenue Requirements will reflect Adjusted Cumulative Non-Growth Capital Investment as defined above plus the associated retirements, cost of removal, accumulated depreciation, and accumulated deferred taxes.

All accumulated Gas ISR investments will be eligible for inclusion in rate base recovery through new rates set in the next general rate case.

The Company shall allocate the Cumulative Revenue Requirements to its rate classes based on the rate base allocation approved by the PUC in the Company's most recent general rate case. Any other costs, including Operation and Maintenance expenses

DISTRIBUTION ADJUSTMENT CLAUSE

mutually agreed upon by the Division and the Company shall be allocated on a per unit basis.

3.2.3 Infrastructure, Safety and Reliability Factor: Reconciliation Mechanism:

The Company shall include an annual reconciliation mechanism associated with the ISR Factor designed to reconcile the actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to the actual billed revenue for the prior fiscal year. As part of its annual DAC filing, the Company shall submit by August 1 a reconciliation factor (either positive or negative) related to the ISR Factor recoveries and actual Cumulative Revenue Requirements and any associated costs approved for recovery through this mechanism to take effect annually for the twelve months beginning November 1 each year.

3.3 Environmental Response Cost Factor (ERCF):

$$\text{ERCF} = \frac{\frac{\sum \text{ERC}_{\text{Yr}_x}}{10} - \text{ERC}_{\text{EMB}}}{\text{Dt}_T}$$

Where:

ERC Environmental Response Costs as defined in Section 1, Schedule B Definitions

$\sum \text{ERC}_{\text{Yr}_x}$ The sum of Environmental Response Costs, incurred in the most recent twelve month period ended March 31.

ERC_{EMB} Environmental Response Costs funding embedded in base rates, \$1,310,000.

Dt_T Forecasted annual firm throughput

In order to limit the bill impacts that could potentially result from the incurrence of environmental remediation costs, the ERC factor, calculated as described above, shall be limited to an increase of no more than \$0.10 per dekatherm in any annual DAC filing. If this limitation results in the Company recovering less than the amount that would otherwise be eligible for recovery in a particular year, then beginning on the date that the proposed ERC factor becomes effective, carrying costs shall accrue to the Company on the portion of the environmental remediation costs not included in

DISTRIBUTION ADJUSTMENT CLAUSE

the ERC factor as a result of this limitation. Such carrying costs shall accrue through the year in which such amount, together with accumulated carrying costs, are recovered from ratepayers. Any amounts so deferred shall be incorporated into the ERC factor in succeeding years consistent with the \$0.10 per dekatherm ERC factor annual increase limitation. Such carrying charges shall accrue at the Interest on Deferred Balance rate specified in Section 1, Schedule B of the Company's Definition section above.

3.4 Pension Adjustment Factor:

The Pension Adjustment Factor shall recover or refund the prior fiscal year's reconciliation of the Company's actual Pension and Post-retirement Benefits Other Than Pension (PBOP) expenses to the Company's Pension and PBOP expense allowance included in distribution base rates, including interest at the rate of interest paid on customer deposits. The recoverable actual Pension and PBOP shall reflect expense recorded on the Company's books of account pursuant to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 715, Compensation—Retirement Benefits, as amended in March 2017 in a FASB Accounting Standards Update (formerly Statement of Financial Accounting Standards ("SFAS") 87 and SFAS 106) associated with pension and PBOP. The PAF will be computed on an annual basis for the twelve months ended March 31 and will be based on the difference in the Company's actual Pension and PBOP expense for the prior twelve month period ended March 31 and the distribution base rate allowance, plus carrying charges at the weighted average cost of capital on the cumulative five quarter average underfunding of the Pension and PBOP Minimum Funding Obligation for the fiscal year ended March 31. The Minimum Funding Obligation will be equal to the amount of Pension and PBOP costs collected from customers during the fiscal year, plus the amounts of Pension and PBOP costs capitalized during the year. The amount collected from customers during the fiscal year would include (1) Pension and PBOP allowance included in base rates, and (2) amounts collected or refunded through the PAF. For the purpose of determining its Minimum Funding Obligation and the carrying costs that apply to that obligation, the Company shall be permitted to combine the funding of pensions and PBOPs, thereby offsetting, any deficiencies in PBOPs funding with any excess pension funding, or conversely offsetting any deficiencies in pension funding with any excess PBOP funding. The Company will be required to accrue and defer carrying charges on only the net unfunded pension/PBOP amount.

3.5 Service Quality Performance Factor:

The Service Quality Performance (SQP) Factor will be used for crediting to customers any penalties reflected in the Company's annual Service Quality Report.

DISTRIBUTION ADJUSTMENT CLAUSE

3.6 Revenue Decoupling Adjustment Factor:

The Revenue Decoupling Adjustment (RDA) Factor shall be a credit or surcharge determined for all Residential rate classes and Small and Medium C&I rate classes as the sum of the March 31 deferral ending balances for each rate class divided by the forecasted total annual firm throughput for those rate classes. The March deferral ending balance for each rate class shall result from the monthly calculation of the difference between the Target Revenue-per-Customer and the Actual Revenue-Per-Customer for each twelve months ending March 31. The deferral balance will be calculated as follows:

$$RDAF = \frac{\sum_{RC} (AEB_{M-1} + DIFF_M + INT_M)}{Dt_{RC}}$$

Where:

RDAF Revenue Decoupling Adjustment Factor

\sum_{RC} The sum of the March 31 deferral ending balances for each of the following rate classes: Residential Non-heat (including Low Income Residential Non-heat), Residential Heat (including Low Income Residential Heat), Small C&I, and Medium C&I.

AEB_{M-1} Account Ending Balance for prior month

$DIFF_M$ Current month Difference

$$= (RPC_{TM} - RPC_{AM}) \times CUST_M$$

RPC_{TM} Target Revenue-per-Customer based on class specific revenue per customer targets established in the most recent general rate case. The target for Low-Income classes will reflect non-discounted revenue. Low-income class revenue and customers will be included with non-discounted revenue and customers for the purposes of setting the target.

RPC_{AM} Actual Revenue-per-Customer for current month calculated as actual base revenue divided by number of

DISTRIBUTION ADJUSTMENT CLAUSE

customers in the current month. Revenue for Low-Income classes will reflect non-discounted revenue.

$CUST_M$ Number of customers in current month

INT_M Interest on average monthly balance based on the Bank of America Prime minus 200 basis points.

D_{tRC} Forecasted annual firm throughput for the following rate classes:
Residential Non-heat (including Low Income Residential Non-heat),
Residential Heat (including Low Income Residential Heat), Small
C&I, and Medium C&I.

3.7 Arrearage Management Adjustment Factor (AMAF):

In compliance with R.I.G.L. §39-2-1(d)(2), the Company shall surcharge customers allowable amounts forgiven through the Arrearage Management Plan (AMP) over the prior calendar year as described in Section 7, Schedule C, Item 9.0 through the AMAF.

$$AMAF = \frac{AMPC}{D_{tT}}$$

Where:

$AMPC$ Allowable arrearage management plan costs the Company may recover from firm customers in accordance with R.I.G.L. § 39-2-1(d)(2) and described in Section 7, Schedule C, Item 9.0.

D_{tT} Forecasted annual firm throughput

3.8 Low Income Discount Recovery Factor (LIDRF):

The Low Income Discount Recovery Factor shall be determined annually based upon the total amount of low income discount applied to eligible customer bills. The low income discount percentages are as follows:

- Residential Assistance Non-Heating, Rate 11: 25% with an additional 5% for a total of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program).

DISTRIBUTION ADJUSTMENT CLAUSE

- Residential Assistance Heating, Rate 13: 25% with an additional 5% for a total discount of 30% for those customers receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program.

$$\text{LIDRF} = \frac{\text{LIDC}}{\text{Dt}_T}$$

Where:

LIDC Annual low income discounts provided to eligible low income customers which the Company may recover from firm customers.

Dt_T Forecasted annual firm throughput excluding Rate 11 and Rate 13 forecasted annual throughput.

3.9 Storm Net Revenue Factor (SNRF):

The Storm Net Revenue Factor shall credit customers the value of services performed by the Company's employees in other jurisdictions, including those outside of PPL Corporation's operating companies' service territories, in accordance with the provisions of the Amended Settlement Agreement ("ASA") in Docket No. 4770. In accordance with the ASA, the Company will credit customers 75 percent of the Storm Net Revenue received by the Company.

$$\text{SNRF} = \frac{\text{SNR} \times 75\%}{\text{Dt}_T}$$

Where:

SNR The proceeds received or cost reductions achieved for base labor and non-incremental labor overhead costs on all labor (i.e., not just base labor) charged for storm restoration services provided to other utilities, whether affiliated or non-affiliated, less an amount equal to 55.18 percent, which is the labor capitalization rate set in the Company's general rate case.

Dt_T Forecasted annual firm throughput

DISTRIBUTION ADJUSTMENT CLAUSE

4.0 DEFERRED DISTRIBUTION ADJUSTMENT COST ACCOUNT:

The Distribution Adjustment Cost Account shall include annual reconciliation for the twelve month period for the revenues and costs for the System Pressure factor, ISR factor, Environmental Response Costs factor, Pension Adjustment factor, SQP factor, RDA factor, ESM factor, AMAF, LIDRF, SNRF, and a Previous Reconciliation factor, including a true-up for any prior year's forecasted revenues and costs. Base rate related items (Pension Adjustment factor and Environmental Response Cost factor) will be reconciled only for those non-Revenue Decoupling rate classes (Large and Extra Large high load and low load factor rate classes). For each reconciliation component, a monthly rate based on a monthly rate of the current Bank of America prime interest rate less 200 basis points (2%), multiplied by the arithmetic average of the account's beginning and ending balance shall also apply.

5.0 EARNINGS SHARING MECHANISM:

The Earnings Sharing Mechanism Credit ("ESMC") will be filed on May 1 and will reflect a 12-month period ending December 31. For purposes of calculating earnings to be shared, the Company will be allowed to include its 50% share of net merger synergies resulting from the National Grid/KeySpan transactions, or \$2,450,000. Calculation of the ESCM is as follows:

$$\text{ESMC} = \frac{\text{ESMF}}{\text{Dt}_T}$$

Where:

ESMF Earnings Sharing Mechanism Fund is defined as customers' share of earnings subject to sharing and will be based on the return on equity authorized by the PUC in a general rate case or as otherwise authorized by the PUC. For FY 18, the annual earnings over 9.5% return on equity, up to and including 100 basis points, being shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.5% return on equity shall be shared 75% to customers and 25% to the Company. For all subsequent ESCM, the annual earnings over 9.275% return on equity, and up to and including 100 basis points (i.e., 10.275%), will be shared 50% to customers and 50% to the Company. Any earnings more than 100 basis points in excess of 9.275% return on equity (i.e., exceeding 10.275%) shall be shared 75% to customers and 25% to the Company. The Company's share of any shared earnings will be retained by Company and not reflected in any earnings report.

Dt_T Forecasted annual firm throughput

RESIDENTIAL NON-HEATING
RATE 10

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Distribution Charge:	\$ 0.5456 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

RESIDENTIAL NON-HEATING
RATE 10

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

LOW INCOME RESIDENTIAL NON-HEATING
RATE 11

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic non-heating purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter. Eligible customers must meet both of the following criteria:

1. Must be the head of a household or principal wage earner.
2. Must be presently receiving supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by forms provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

<u>September 1, 2018</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5456 per Therm

<u>September 1, 2019</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.5908 per Therm

<u>September 1, 2020</u>	
Customer Charge:	\$14.00 per month
Distribution Charge:	\$0.6145 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

LOW INCOME RESIDENTIAL NON-HEATING
RATE 11

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

RESIDENTIAL HEATING
RATE 12

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or fewer units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

RESIDENTIAL HEATING
RATE 12

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

LOW INCOME RESIDENTIAL HEATING
RATE 13

1.0 AVAILABILITY:

Sales service is available under this rate for all domestic purposes in individual private residential dwellings with six (6) or less units or in connection with condominium associations with gas supplied through one meter where natural gas is the primary fuel used for space and/or central heating equipment. Eligible customers must meet both of the following criteria:

1. Must be head of a household or principal wage earner.
2. Must be presently receiving Supplemental Security Income from the Social Security Administration, be eligible for the low-income home energy assistance program, or one of the following from the appropriate Rhode Island agencies: Medicaid, Food Stamps, General Public Assistance, or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs.

It is the responsibility of the customer to annually certify, by form provided by the Company, the continued compliance with the foregoing provisions.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES:

September 1, 2018

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5534 per Therm
Off Peak Distribution Charge:	\$0.4960 per Therm

September 1, 2019

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5796 per Therm
Off Peak Distribution Charge:	\$0.5192 per Therm

September 1, 2020

Customer Charge:	\$14.00 per month
Peak Distribution Charge:	\$0.5933 per Therm
Off Peak Distribution Charge:	\$0.5317 per Therm

4.0 MINIMUM CHARGE:

Customer Charge per month.

LOW INCOME RESIDENTIAL HEATING
RATE 13

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

6.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

7.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

8.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

9.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

10.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

11.0 LOW INCOME DISCOUNT:

The Customer's total bill for service as determined based upon the provisions above will be discounted by twenty-five (25) percent. Customers receiving benefits through the following programs will receive an additional discount of five (5) percent, totaling a total bill discount of thirty (30) percent: Medicaid, General Public Assistance, or the Rhode Island Works Program or successor programs.

C&I SMALL
RATE 21

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or less than 5,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.4852 per Therm
Off Peak Distribution Charge:	\$0.4284 per Therm

September 1, 2019

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5101 per Therm
Off Peak Distribution Charge:	\$0.4503 per Therm

September 1, 2020

Customer Charge:	\$25.00 per month
Peak Distribution Charge:	\$0.5232 per Therm
Off Peak Distribution Charge:	\$0.4619 per Therm

MINIMUM CHARGE:

Customer Charge per month.

C&I SMALL
RATE 21

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

This application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I MEDIUM
RATE 22

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 5,000 Therms, but less than or equal to 35,000 Therms as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule are only eligible for FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2484 per Therm

September 1, 2019

Customer Charge: \$85.00 per month
Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.2642 per Therm

C&I MEDIUM
RATE 22

September 1, 2020

Customer Charge: \$85.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2725 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

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C&I MEDIUM
RATE 22

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I LARGE HIGH LOAD FACTOR USE
RATE 23

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.1617 per Therm

September 1, 2019

Customer Charge: \$200.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I LARGE HIGH LOAD FACTOR USE
RATE 23

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1715 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.1767 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

C&I LARGE HIGH LOAD FACTOR USE
RATE 23

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or greater than 31% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge: \$0.0369 per Therm

September 1, 2019

Customer Charge: \$500.00 per month
Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0410 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$2.0500 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0433 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

C&I EXTRA LARGE HIGH LOAD FACTOR USE
RATE 24

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I LARGE LOW LOAD FACTOR USE
RATE 33

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is greater than 35,000 Therms, but less than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the off-peak and annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge:	\$200.00 per month
Demand Charge:	\$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge:	\$0.2429 per Therm

September 1, 2019

Customer Charge:	\$200.00 per month
Demand Charge:	\$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

C&I LARGE LOW LOAD FACTOR USE
RATE 33

Distribution Charge: \$0.2569 per Therm

September 1, 2020

Customer Charge: \$200.00 per month

Demand Charge: \$1.5000 per Therms of customer's highest average daily consumption from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.2643 per Therm

5.0 MINIMUM CHARGE:

Customer Charge and Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

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C&I LARGE LOW LOAD FACTOR USE
RATE 33

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

C&I EXTRA LARGE LOW LOAD FACTOR USE
RATE 34

1.0 AVAILABILITY:

Transportation or Sales service is available under this rate at single locations to Commercial and Industrial customers whose annual gas usage is equal to or greater than 150,000 Therms and whose off-peak (May through October) gas usage is equal to or less than 30% of the annual gas usage for the most recent September through August period, as determined by Company records and procedures. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 TRANSPORTATION SERVICE PROVISIONS:

For Customers selecting transportation service under this Schedule, the Transportation Service provisions found in Section 6 are applicable as in effect from time to time. Customers receiving service under this Schedule may receive either FT-1 or FT-2 transportation service.

4.0 RATES:

September 1, 2018

Customer Charge:	\$500.00 per month
Demand Charge:	\$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.
Distribution Charge:	\$0.0421 per Therm

September 1, 2019

Customer Charge:	\$500.00 per month
Demand Charge:	\$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November

C&I EXTRA LARGE LOW LOAD FACTOR USE
RATE 34

through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0478 per Therm

September 1, 2020

Customer Charge: \$500.00 per month

Demand Charge: \$1.5000 per Therm of customer's maximum average daily quantity (MADQ) from the most recent November through April period based on historical billing data. In the case of a new customer or a customer with new gas applications, the November through April gas consumption shall be that agreed upon by the Company and the Customer.

Distribution Charge: \$0.0508 per Therm

5.0 MINIMUM CHARGE:

Customer Charge plus Demand Charge per month.

6.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

7.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

8.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

9.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is subject to the Distribution Adjustment Clause in Section 3, Schedule A.

C&I EXTRA LARGE LOW LOAD FACTOR USE
RATE 34

10.0 ENERGY EFFICIENCY:

The application of the above rate is subject to Energy Efficiency provisions in Section 1, Schedule C.

11.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

NON-FIRM SALES (NFS) SERVICE

RATE 60

1.0 AVAILABILITY:

Non-firm sales service is grandfathered as of July 1, 2009 and will no longer be offered to any customer, except that any non-firm sales customer as of that date will be able to continue the service until such time that the non-firm sales customer decides to change to firm service or obtain non-firm transportation service and purchase natural gas from a Marketer. Such customers are non-residential customers with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who use gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintain adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas is not available under this Schedule.

2.0 RATES:

Non-firm Sales (NFS) service rates shall be set for the upcoming month, no later than 10:30 a.m. ten (10) business days prior to the commencement of that month. The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of the intention to take NFS service, and must provide a reasonable estimate of natural gas expected to be used for the month.

Customer Charges will be determined as follows:

1. For those Customers who can potentially consume more than 150,000 Therms per year:
 - \$625 per month, per customer
2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:
 - \$405 per month, per customer
3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:
 - \$185 per month, per customer

NON-FIRM SALES (NFS) SERVICE
RATE 60

The Distribution Charge applicable to all gas delivered to a NFS service customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
$> 150,000$ therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

The Company will provide the Customer with an initial mid-month estimate of the commodity charge based on 110% of the sum of the NYMEX closing price on the eleventh business day prior to the start of the month and a publicly available forward basis for gas supply delivered to the Northeastern US. The forward basis will be the Transco Zone 6 Basis Swap (based on the Platts IFERC basis swap obtained from the NYMEX), or a publicly traded forward basis for supply delivered to the Company's city gate (should one become available), or such other publicly available traded basis for supply delivered to the Northeastern U.S. should the Transco Zone 6 Basis Swap become unavailable. The Company will recalculate the commodity charge based upon the NYMEX settled price and a publicly available forward basis for gas supply delivered to the Northeastern US. The Customer shall be charged the higher of the recalculated rate or the initial mid-month estimate.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month. Under no circumstances shall the NFS Commodity Charge be less than the cost of the incremental supply available to the Company for the month, adjusted for the Company's Fuel Allowance.

NON-FIRM SALES (NFS) SERVICE

RATE 60

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for the Company to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

6.0 FAILURE TO CURTAIL:

For any period that the Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized," shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

7.0 METER TEST:

Customers will receive the results of periodic calibration tests performed by the Company on the meters installed on their premises. Meters will be deemed unacceptable if these tests show an error greater than +/-1%. Meters will also be deemed unacceptable, no matter what their error, if the results of three successive tests are consistently high or low. Meters will measure gas flow rates corrected to 60° F gas.

NON-FIRM SALES (NFS) SERVICE

RATE 60

8.0 TELEMETERING:

Wireless communications or telemetering equipment is required for those customers who wish to avail themselves of this service, as identified in Section 1, Schedule A, Item 12.0.

9.0 NON-FIRM TRANSPORTATION SERVICE OPTION:

The Company will also offer, during the winter months, limited NFS and non-firm transportation (NFT) service for customers on a “best efforts” basis. If a Customer buying gas under this rate schedule opts to directly arrange for the acquisition of wellhead gas supplies, and the transportation of those wellhead gas supplies to the Company’s gate stations, then the Company will transport, subject to available capacity, such directly acquired gas to the Customer’s facilities. Rates and conditions for such transportation service are included in the Company’s Non-Firm Transportation (NFT) Service in Section 6, Schedule A of RIPUC NG 101.

10.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

11.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

12.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

13.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

14.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

TRANSITION SALES SERVICE
TSS

1.0 AVAILABILITY:

Transitional Sales Service (TSS) shall apply to Customers subject to the Transportation Terms and Conditions. The Company's General Terms and Conditions will govern this Service to the extent not consistent herewith.

TSS is not available to Capacity Exempt Customers.

The Company reserves the right to restrict the availability of this service if the Company determines that the integrity of the distribution system is at risk.

2.0 GENERAL CONDITIONS:

TSS is provided by the Company to Customers switching from transportation service to firm sales service. TSS is available to Customers who meet the requirements above, and (a) who terminate transportation service, (b) who receive a termination notice from a designated Marketer, or (c) for whom a designated Marketer becomes ineligible to serve the Customer.

All Customers transferring to firm sales service from firm transportation service, either from FT-1 service or FT-2 service, and who have received an assignment of the Company's interstate pipeline capacity while on firm transportation service immediately prior to their transfer back to firm sales service, will be subject to the provisions of this rate schedule in addition to the provisions of the Company's applicable firm sales service rate schedules.

3.0 TERM:

For each Customer who transfers to firm sales service from FT-1 transportation service, TSS will be applicable to firm sales service provided to the Customer through the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

For each Customer transferring to firm sales service from FT-2 transportation service, TSS will be applicable to firm sales service provided to the Customer through the end of the Customer's first billing cycle subsequent to the next April 30 after the Customer starts taking firm sales service or until the Customer enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. After the end of the first billing cycle after April 30, the Customer will receive firm sales service and will not be subject to the TSS surcharge defined below.

TRANSITION SALES SERVICE
TSS

4.0 SURCHARGE:

Each Customer receiving TSS will be subject to a monthly surcharge during the term the Customer receives TSS, unless a Customer, prior to their return to the Company for gas supply, enters into a contractual commitment with the Company to take firm sales service continuously for a period of not less than one year. If such an agreement is executed, the Customer will not be subject to the TSS surcharge. The TSS surcharge is designed to charge a market-based price reflecting the cost of gas supplies in the marketplace at the time consumption is occurring for the incremental amount of gas that the Company must purchase over and above the quantities of gas procured for firm sales customers under the provisions of the Company's Gas Procurement Incentive Plan ("GPIP"). The surcharge will reflect any positive difference between the GPIP cost of gas for the month in which gas is supplied and a market-based gas price for the same month. This surcharge shall apply to all firm sales service consumption of Customers switching from firm transportation service subsequent to April 30 of each year, with the exception of those Customers committing to remain on firm sales service for a period of at least 12 months as described above.

4.1 Calculation:

The surcharge for Customers who switch to firm sales service from firm transportation service shall be computed as follows:

IF

$$\{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{tM})] \} - R_{GCR} \text{ is } > 0,$$

THEN:

$$TSS = \{ [(NYMEX_M - GPIP_M) (GPIP_{QM} \div D_{tM})] \} - R_{GCR}$$

OTHERWISE:

$$TSS = 0$$

Where:

TSS Transitional Sales Service monthly surcharge.

NYMEX_M The NYMEX closing price for month M.

GPIP_M Average cost of gas purchased under the GPIP for month M.

TRANSITION SALES SERVICE

TSS

GPIP _{QM}	The Total Quantity of GPIP purchases for month M.
Dt _M	Total forecasted sales for month M underlying the GPIP.
R _{GCR}	The per Dt Deferred Gas Cost Reconciliation reflected in the current GCR charge.

TSS surcharges will be calculated monthly. Supporting calculations for all components of the applicable surcharges will be posted on the Company's website by the second business day of each month. In addition, supporting workpapers shall be submitted to the PUC and the Division simultaneously with the posting on the Company's website.

5.0 STORAGE AND PEAKING:

FT-1 firm transportation service Customers eligible for TSS who transfer to firm sales service will be subject to a Storage and Peaking charge for recovery of Storage and Peaking costs. Such charge will be calculated at the time the FT-1 Customer transfers to firm sales service based on the Customer's actual consumption as a FT-1 Customer since the most recent April 1, multiplied by the currently effective FT-2 Demand Charge provided in the Company's most recently approved GCR filing.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

1.0 AVAILABILITY:

For any non-residential customer with dual-fuel capability: (1) whose premises are located adjacent to the Company's gas distribution mains having adequate capacity to supply the Customer's prospective gas requirements in addition to the requirements of other customers already receiving service from such distribution mains; (2) who uses gas for boiler load, process load, or cogeneration with a minimum combined hourly input of 100 Ccf/hour; and (3) who maintains adequate standby facilities for the use of an alternate fuel which may be substituted for gas when gas transportation is not available under this Schedule.

This rate is available to any Customer who has, without the assistance of the Company or the use of its facilities or dedicated pipeline capacity, arranged for the acquisition and transportation of gas supplies to the Company's gate stations, has executed a Transportation Service Application, has designated on such Application a Marketer as required under the Transportation Terms and Conditions in Section 6, Schedule C, and who meets the following additional criteria:

- A. The Customer must have telemetering equipment in place.
- B. The Customer agrees to discontinue service, when in the sole discretion of the Company, such discontinuance is necessary in order to continue to serve the needs of firm customers at such time. The Company will attempt to give three (3) working days' notice of such action except in the event of emergency, when at least one hour's notice will be given.

Any gas consumed during a requested discontinuance, whether authorized or unauthorized, shall be provided by the Company and not a third party supplier or Marketer of record.

2.0 RATE:

The Customer must notify the Company by 9:00 a.m. two (2) business days prior to the commencement of that month of any change in gas marketer.

Customer Charge will be determined as follows:

- 1. For those Customers who can potentially consume more than 150,000 Therms per year:
 - \$625 per month, per customer.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

2. For those Customers who can potentially consume more than 35,000 Therms, but less than 150,000 Therms per year:

- \$405 per month, per customer

3. For those Customers whose potential monthly consumption is less than 35,000 Therms per year:

- \$185 per month, per customer

Distribution Charge:

The Distribution Charge applicable to all gas delivered to a NFT service Customer shall be based on the Customer's annual usage in accordance with the following:

$\leq 35,000$ therms	\$0.2236 per therm
35,001 to 150,000 therms and:	
Off-peak usage $\leq 31\%$	\$0.2177 per therm
Off-peak usage $> 31\%$	\$0.1456 per therm
$> 150,000$ therms and:	
Off-peak usage $\leq 31\%$	\$0.0919 per therm
Off-peak usage $> 31\%$	\$0.0738 per therm

The reference to 31% is the percentage of gas usage from May through October compared to annual usage from September through August. In the case of a New Customer, or an existing Customer with new gas applications, the annual gas usage for the first year shall be that agreed upon by the Company and the Customer. The classification will be based on the higher of the most recent 12-months usage or the 12-months previous to that. This classification will be reviewed annually after the August billing period and any change will be reflected with the September bill.

3.0 MINIMUM CHARGE:

For delivery service, the minimum charge is the Customer Charge per month.

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Company's Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

5.0 GENERAL RULES AND REGULATIONS:

The Company's General Terms and Conditions, Section 1, Schedule A, as in effect from time to time and where not inconsistent with any provisions hereof, are a part of this Schedule.

6.0 TELEMETERING EQUIPMENT:

Telemetering equipment is required. The customer may have access to the telemetering equipment for data gathering and transmission, as identified in Section 1, Schedule A, Item 12.0.

7.0 NFT CUSTOMER USE OF GAS:

A NFT customer that elects to use gas from the Company for any reason shall receive Default Transportation Service and be charged the rate applicable to such service as set forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.04, for the first month of service and shall pay the Non-Firm unauthorized use rate as forth in the Transportation Terms and Conditions, Section 6, Schedule C, Item 1.05, for all additional months.

8.0 NOTIFICATION OF INTERRUPTION/CURTAILMENT:

The Customer will curtail or discontinue service when, in the sole opinion of the Company, such curtailment or interruption is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will attempt to give the Customer three (3) working days' notice of such curtailment, except in emergency situations, when at least one hour's notice shall be given.

9.0 FAILURE TO CURTAIL:

For any period that a Customer fails to curtail the use of gas as requested by the Company, the charge for gas commodity delivered to the Customer will be equal to the Gas Usage at a penalty of five (5) times the Daily Index. Such use of gas under these circumstances shall be considered an "unauthorized use" of gas.

In the event where the Company, in its sole discretion, grants the Customer an exemption from the curtailment, the use of gas under these circumstances shall be referred to as an "authorized use of gas." Authorized use of gas during a curtailment will be for a limited time period. The charge for gas commodity delivered to the Customer under these conditions will be the highest cost gas required to meet demand during the applicable curtailment period. Payments for this use, whether authorized or unauthorized, shall not preclude the Company

NON-FIRM TRANSPORTATION (NFT) SERVICE

RATE 61

from turning off the Customer's supply of gas in the event of the failure to interrupt, or curtail, the use thereof when requested to do so.

All gas delivered to the Customer during a curtailment, either "unauthorized" or "authorized", shall be subject to the Distribution Charges and Energy Efficiency Program Charge in effect at the time of such Gas Usage.

10.0 GAS BALANCING NOMINATION/AGGREGATION:

Refer to the Transportation Terms and Conditions, Section 6, Schedule C.

11.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

12.0 ENERGY EFFICIENCY:

The application of the above rate to all gas delivered is subject to Energy Efficiency provisions in Section 1, Schedule C.

13.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

14.0 GAS COST RECOVERY CLAUSE:

The application of the above rate is not subject to the Gas Cost Recovery Clause in Section 2, Schedule A.

15.0 DISTRIBUTION ADJUSTMENT CLAUSE:

The application of the above rate is not subject to the Distribution Adjustment Clause in Section 3, Schedule A.

FIRM TRANSPORTATION SERVICE

1.0 AVAILABILITY:

Firm Transportation Service is available to any Commercial and Industrial customer account who:

- (1) is classified as Small, Medium, Large, or Extra Large pursuant to Section 5, Schedule A, B, C, D, E, and F; and,
- (2) elects to purchase gas supplies from a Marketer through the execution of a Transportation Service Application pursuant to the Transportation Terms and Conditions, Section 6, Schedule C.

2.0 CHARACTER OF SERVICE:

Firm Transportation Service provides for the transportation of gas supplies purchased by a customer from a Marketer on a firm 365 days per year basis. Service is classified as either Firm Transportation Service FT-1 or Firm Transportation Service FT-2 as follows:

- FT-1 This service provides firm transportation of customer-purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Customer's Point of Delivery. This service is available only to Large and Extra Large Commercial and Industrial customers.
- FT-2 This service provides firm transportation of customer-purchased gas supplies to customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. This service is available to all Commercial and Industrial customers.

Also refer to the Transportation Terms and Conditions, Section 6, Schedule C, Items 2.0 and 3.0 for additional information.

3.0 RATES:

Specific rates billable by the Company to the Customer are those applicable under the Customer's service classification as provided for in Section 5, Schedules A, B, C, D, E, or F. For customers electing FT-1 Service, a one-time charge associated with the installation of telemetering equipment may also apply as provided for under the Transportation Terms and Conditions, Section 6, Schedule C, Item 2.02.0.

Rates associated with Firm Transportation Service which is billable to Marketers are those applicable under the Transportation Terms and Conditions, Section 6, Schedule C, as in effect from time to time.

FIRM TRANSPORTATION SERVICE

4.0 TRANSPORTATION TERMS AND CONDITIONS:

The Transportation Terms and Conditions in Section 6, Schedule C, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of the Schedule.

5.0 GENERAL RULES AND REGULATIONS:

Firm Transportation Service will also be governed by the Company's General Terms and Conditions to the extent not inconsistent herewith.

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TRANSPORTATION TERMS AND CONDITIONS

1.0 GENERAL:

These terms and conditions apply to those Commercial and Industrial customers classified as Small, Medium, Large, Extra Large, or Non-firm who purchase gas supplies from sources other than the Company for transportation service by the Company pursuant to Section 5, Schedule A, B, C, D, E, and F, and Section 6, Schedule A, as well as to any Marketers designated to act on the customer's behalf pursuant to a Transportation Service Application and executing a Marketer Aggregation Pool Service Agreement. Any FT-1 customers classified as Medium at the time the access to FT-1 service for Medium customers was discontinued or any Customers reclassified as Medium based on their reduction in load will be grandfathered and allowed to continue receiving service under the FT-1 rate schedule. Transportation service will also be governed by the Company's General Terms and Conditions of Service to the extent not inconsistent herewith.

The Company reserves the right to restrict the availability of Transportation Service should the number of customers exceed the capability of the Company to reliably administer the service or if the integrity of the distribution system is put at risk.

If a Customer requesting service hereunder has been a sales service customer of the Company at the same service location within the preceding twelve month period, any under-recovered or over-recovered gas costs attributable to such prior service under the Gas Cost Recovery Clause in Section 2, Schedule A, Section 9.0 shall be determined and charged by the Customer or credited to the Customer's account.

1.01.0 TERM OF SERVICE:

1.01.1 FT-1 Transportation Service:

FT-1 Transportation Service will commence on the first day of a calendar month subject to satisfying the Company's Transportation Terms and Conditions and be for an initial term of up to one year to reflect a common anniversary of November 1. Service shall continue thereafter on a year-to-year basis, unless terminated by the Customer, Marketer or the Company, effective with the Customer's next billing cycle, upon at least thirty (30) days advance notice, either by written notice or the appropriate EDI transmission, to the Company. The Marketer shall be responsible for providing the Company with an executed Transportation Service Application for each new FT-1 customer account being added to its FT-1 Aggregation Pool no less than thirty (30) days prior to commencement of service. The Company's receipt of the Transportation Service Application initiates the thirty (30) day notice period. Existing FT-1 service customers may be switched to another Marketer by using an EDI enrollment transaction.

TRANSPORTATION TERMS AND CONDITIONS

1.01.2 FT-2 Transportation Service:

FT-2 Transportation Service will commence on the first day of a Customer's billing cycle subject to satisfying the Company's Transportation Terms and Conditions. Service shall continue thereafter on a year-to-year basis unless terminated by the Customer, Marketer, or the Company, effective with the Customer's next billing cycle, upon at least fifteen (15) days advance written notice to the Company. The Marketer shall be responsible for providing the Company with an EDI enrollment for each Customer being added to its FT-2 Aggregation Pool no less than fifteen (15) days prior to commencement of service.

1.01.3 Non-Firm Transportation (NFT) Service:

Customers classified as Non-Firm Transportation (NFT) will be able to commence transportation as of the first (1st) of any calendar month subject to meeting the nomination requirements established in Item 1.03 following and having submitted to the Company an executed Transportation Service Application.

A Customer's designation as NFS or NFT shall remain in effect until the Company is notified of a further change. Such notice is required by 9 a.m. two (2) business days before the start of the calendar month when such change is to take effect. Switching to or initiating transportation service mid-month is generally not allowed.

1.02.0 Designation Of Marketer:

1.02.1 Firm Transportation:

Customers wishing to switch Marketers will be allowed to do so at the start of a calendar month in the case of FT-1 Service, or at the start of a Customer's billing cycle in the case of FT-2 Service. For new FT-1 Service, the Customer and the new Marketer shall execute a new Transportation Service Application listing the new Marketer as their designated Marketer and forward that document to the Company for processing. For FT-2 Service, the Marketer will contact the Company through electronic data interchange (EDI) to initiate service with the customer account number being the validation. In the event of a dispute over the enrollment of a customer, the Marketer will be required to provide proof of authorization by the customer. This can be in the form of a signed agreement with the customer, audio recording of the customer's agreement/or authorization or an electronically recorded authorization. The Marketer is required to retain such proof for a minimum of two years or for the length of the service agreement, whichever is longer. The Company must receive the new Transportation Service Application or EDI transmittal at least thirty (30) days prior to the change in the case of FT-1 Service, and at least fifteen (15) days prior to the customer's meter read in the case of FT-2 Service. For an FT-1 Service customer without a capacity assignment from the Company, see Item 1.07

TRANSPORTATION TERMS AND CONDITIONS

below, the Company must be notified of such change by 9 a.m. at least two (2) business days before the start of the calendar month. The Company will not accept a Transportation Service Application which designates a Marketer that has not executed an Aggregation Pool Service Agreement.

If the Company receives more than one Transportation Service Application for the same FT-1 customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

The Company will notify the Marketer of record via an EDI drop transaction in the event that a customer account assigned to the Marketer's Aggregation Pool is terminated.

Marketer must provide the Company with (30) days' advance notice in the event that the Marketer terminates service to a Customer in its Aggregation Pool.

Customers not subject to Default Transportation Service in Item 2.04 below, may return to sales service with at least thirty (30) days' advance notice, subject to availability, in the Company's sole discretion, of adequate gas transmission, gas supply and/or gas storage capability, and subject to the Company's Transitional Sales Service Rate, Section 5 Schedule H, of the Commercial and Industrial Services.

These provisions for switching Marketers or returning to Sales Service do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

1.02.2 Non-Firm Transportation:

Switching Marketers is allowed at the start of any calendar month with the provision that the Company receive the Customer's Transportation Service Application designating the effective Marketer by 9 a.m. at least two (2) business days before the start of the month for which the switch is effective.

These provisions for switching Marketers do not excuse the performance of any contractual obligations between the customer and a Marketer, including the potential requirement of paying damages to the Marketer for a breach of any such contractual obligation.

If the Company receives more than one Transportation Service Application for the same customer account with different designations of Marketer, the Company will contact the Customer for clarification and confirmation.

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1.03.0 Nominations:

1.03.1 General:

Marketer shall provide notice via the Company's Electronic Bulletin Board (EBB) the required information relative to Shipper and Transporting Pipeline names and contract number(s) on which deliveries will be made and the specified quantity of gas that Marketer will deliver to the Point(s) of Receipt on each day of the calendar month. Marketer is required to have separate nomination names and contract numbers for each of Marketer's Aggregation Pools. Additional information may be required by the Company. The Company will host an annual post-winter meeting with all Suppliers to discuss any proposed changes to the transportation program and the related requirements.

1.03.2 Dispatch Communication:

All nomination information shall be communicated to the Company's Gas Control Supply Operations Department via the Company's EBB. Marketer shall be responsible for monitoring the EBB 24 hours per day, seven days per week for dispatch purposes. In the event that the Company is unable to contact a Marketer regarding any nomination or dispatch, the Company may take any action it deems necessary to maintain system integrity as otherwise outlined in the General Terms and Conditions.

1.03.3 Initial Nominations:

The Nomination terms for FT-1 and NFT Service for deliveries to commence service on the first day of any calendar month will be submitted to the Company not later than the initial nomination deadline of the upstream Transporting Pipeline(s) transporting gas for Marketer. Such nominations will specify the quantity to be scheduled on each day of the month. The nomination requirements for FT-2 Service are described in Item 3.03 below.

As a condition of confirming any nomination, Company may direct Marketer to have gas delivered to an alternate Point of Receipt on the same Transporting Pipeline. Upon receipt of such directions, Marketer will arrange with the Transporting Pipeline to have gas delivered to the Point of Receipt designated by Company. Such alternate point of Receipt will remain the Point of Receipt for Marketer's gas for the period stated by the Company in its instructions until Company directs Marketer otherwise.

TRANSPORTATION TERMS AND CONDITIONS

1.03.4 Subsequent Nominations:

After the first day of the calendar month, Marketer may alter its nomination, provided that the revised nomination for delivery on any day is submitted to Company's EBB in accordance with the NAESB inter-day nomination schedule. The Company will accept on a best-efforts basis, an intra-day nomination submitted to the company's EBB up until 8:00 AM of the end of the gas day.

1.03.5 Intra-Day Nominations:

For daily metered Aggregation Pools, the Company will accept and implement, on a best-efforts basis, an intra-day nomination submitted to the Company's EBB following NAESB time lines.

One (1) such nomination per gas day shall be accepted subject to confirmation by the Transporting Pipeline.

1.03.6 Scheduling of Service:

Company will attempt to confirm with Transporting Pipeline(s) that the nominated quantities equal the Scheduled Transportation Quantity. If such nomination is confirmed, the Company will schedule said quantities to the Marketer at the designated Point of Receipt(s).

If Marketer is purchasing gas at the Company's city gate, they are responsible for identifying the original delivering contract number, Shipper and any additional title transfers.

If Marketer's nominations on the Company's Electronic Bulletin Board are not consistent with nominations on Transporting Pipeline, then the smaller of the two nominations shall prevail, and all associated balancing and penalty assessments shall be based on the smaller nomination.

1.04.0 Protection Of System Operations:

1.04.1 Company Operational Flow Order (OFO):

Service hereunder may be limited as provided in the Company's General Terms and Conditions. Further, in the event that the Company determines in its sole judgment that it must take prompt action in order to maintain system integrity or to ensure Company's continued ability to provide service to its firm customers, the Company may declare a Critical Day or issue an OFO. In addition to the OFOs listed below, the Company shall have the right to issue any other OFO reasonably intended to

TRANSPORTATION TERMS AND CONDITIONS

serve the above stated purpose. The Company may take any one or more of the following actions:

- (1) declare a Critical Day which would require Marketer to fully utilize upstream capacity that it received from Company through Capacity Release; and require Marketer to fully schedule storage resources allocated as part of FT-2 Service, i.e., up to the MDQ-U, prior to relying on peaking resources to the extent they are needed to meet their customer's demands;
- (2) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess receipts; and
- (3) take any actions that are within Company's operational capability to reduce or eliminate Marketer or Aggregation Pool excess takes.

When the Company issues an Operational Flow Order it will issue a notice to Marketers and state in the notice the balancing tolerances that will be in effect and, to the extent practicable, provide information on the cause and expected duration of the OFO. In addition, where the Company's need to issue an OFO is the result of its receipt of a notice of any kind from any of its pipeline transportation, storage, or peaking service providers, the Company will include that information in the notice and, to the extent possible, coordinate the duration and terms of its OFO with those of the service provider. Such an attempt to coordinate its OFO with those of its service providers will be based on the Company's sole discretion and such coordination will not limit the Company's ability to impose different terms or to continue or terminate its OFO at a time different from its service provider(s).

1.04.2 Pipeline Operational Flow Order:

If, at any time, an immediate upstream pipeline issues an order changing the requirements at the Point(s) of Receipt, then Company may so notify Marketer and direct Marketer to modify requirements at the Point(s) of Receipt to the extent necessary for Company to comply with the pipeline's order. Marketer will be responsible for coordinating with their customers regarding any necessary change to Customer's quantity of Gas Usage.

1.04.3 Marketer Responsibility:

In the event Company takes action to alleviate excess imbalances it will nonetheless remain the obligation of Marketer to make such further adjustments to nominations, both to Company, Shipper, and to Transporting Pipeline, during the remainder of the month to resolve accumulated imbalances or to account for subsequent changes in actual deliveries. Company's exercise of its authority under this section will have no effect on Marketer's liability for unauthorized overrun or imbalance penalties that

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apply to Marketer under this tariff or any similar charge, including scheduling penalties, imposed by any upstream Transporting Pipeline(s).

An operational flow order may be issued by the Company as a blanket order to all transportation customers, or to individual Marketer's Aggregation Pools, whose actions are determined by the Company to jeopardize system integrity.

For Critical Days or OFO's aggravated by under-delivery, the Marketer will be charged a penalty of 5 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 102% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 0.1 times the Daily Index for the differences between said receipts and said usage that exceed 20% of said receipts $[(\text{Receipts} - \text{Usage}) > (20\% \times \text{Receipts})]$.

For Critical Days or OFO's aggravated by over-delivery, the Marketer will be charged a penalty of 0.1 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceed 120% of the Marketer's aggregate actual receipts on the Transporting Pipeline at the Point of Receipt. The Marketer will be charged a penalty of 5 times the Daily Index for the differences between said receipts and said usage that exceed 2% of said receipts $[(\text{Receipts} - \text{Usage}) > (2\% \times \text{Receipts})]$.

1.05.0 Unauthorized Use:

In the event the Company provides a Marketer with as much notice as Company deems practicable of an Operational Flow Order per Item 1.04.0 or other curtailment of service and thereby reduces the Scheduled Transportation Quantity for delivery, the total Gas Usage by the Customer may not exceed the revised Scheduled Transportation Quantity. If, on any Gas Day, after notice of curtailment, the quantity of gas taken by Marketer's Customers in an Aggregation Pool, exclusive of NFT customers whose use under a curtailment is covered in Item 4.04 below, exceeds Marketer's Scheduled Transportation Quantity as so revised for the Aggregation Pool, and the Company has not authorized such excess quantity, then all such Gas Usage constitutes Unauthorized Use and is subject to an overrun penalty for each Dekatherm not delivered of five (5) times the Daily Index. Such charges will be billed to the Marketer's account.

1.06.0 Shipper And Transporting Pipeline Requirements:

Marketers must deliver a minimum of forty percent (40%) of total daily pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) on each of the upstream pipelines: Algonquin Gas Transmission ("Algonquin") and Tennessee Gas Pipeline ("Tennessee"). The remaining twenty percent (20%) of total daily

TRANSPORTATION TERMS AND CONDITIONS

pipeline receipts (including all of the Marketer's Aggregation Pools serving both FT-1 and FT-2 customers) may be delivered on either or both Algonquin or Tennessee.

Marketer warrants with respect to each Aggregation Pool that it has entered into the necessary agreements for the purchase and delivery of a gas supply to the Point of Receipt which it wants Company to transport and that it has entered into the necessary transportation agreements for the delivery of gas supply to the Point of Receipt. Marketer acknowledges that it must arrange for the delivery of Actual Transportation Quantities to the Company sufficient to include both the Scheduled Transportation Quantities and the applicable Company Fuel Adjustments.

In addition, Marketer warrants that at the time of delivery of its gas supply to the Point of Receipt, Marketer shall have good title to such gas, free of all liens, encumbrances and claims whatsoever. Marketer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damage, costs, losses and expenses arising from or out of any adverse legal claims of third parties to or against said gas supply.

1.07.0 Capacity Release:

Each Marketer serving any Customer migrating from (i) Firm Sales Service to FT-1 or FT-2 Transportation Service or (ii) another Marketer's Aggregation Pool where they were previously assigned pipeline capacity by the Company, will be required to accept, for each such Customer account, an assignment of a portion of Company's firm interstate pipeline transportation capacity at maximum rates for an initial term of up to one year.

The Company shall determine the quantity to be released based on the customer's calculated Peak Day Use and load factor rate class. The Company will separately calculate assignment percentages for high load factor rate classes and low load factor rate classes eligible for transportation for pipeline, storage and peaking. It will then multiply the pipeline percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer. The pipeline, storage and peaking allocation percentages will then be provided in the Company's annual Gas Cost Recovery filing.

The Company will provide Marketers with the calculated base and thermal factors used to estimate each customer's peak day use. The factors are provided based on the results of the Company's application of the specific methodology in this tariff and certain historical data. Marketers may not assume that use of the factors will yield correct estimates of any customer's use for any future period or that the capacity provided as a result of the calculation will meet the customer's requirements under all conditions.

The quantity of capacity shall be set forth in the confirmation materials provided to the Marketer. For all Customers classified as Small, Medium, Large, or Extra-Large, this quantity will be reviewed annually against the Customer's most recent usage patterns. Any

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change in Customer's required capacity will be reflected in a revised capacity release with the Marketer for effect on the following November 1. In the event that a Marketer stops delivering gas on behalf of an existing capacity exempt customer, the customer will be prohibited from taking firm Company sales service. Such customers will receive Default Transportation Service as described in Item 2.04.0 below.

Marketer shall be required to execute a Capacity Assignment Agreement at the time a Marketer establishes an Aggregation Pool or any other instruments reasonably required by Company or interstate pipeline necessary to effectuate such assignment. Marketer is responsible for utilizing and paying for the assigned capacity consistent with the terms and conditions of the interstate pipeline's tariffs and this tariff. Pipeline capacity shall be released by the Company to the Marketer, at the maximum tariff rate or lesser rate paid by the Company and including all surcharges, through pre-arranged capacity releases, pursuant to applicable laws and regulations and the terms of the governing tariffs. Marketer is responsible for payment of all upstream pipeline charges associated with the assigned firm transportation capacity, including but not limited to demand and commodity charges, shrinkage, GRI charges, cash outs, transition costs, pipeline overrun charges, annual change adjustments and all other applicable charges. These charges will be billed directly to the Marketer by the interstate pipeline.

All Capacity Assignments for FT-1 Transportation Service will be effective with the commencement of service. Capacity Assignments for FT-2 Customers will be effective the first of the upcoming month for Transportation Service Applications received prior to the tenth. For FT-2 Service, EDI enrollments received on or after the tenth of the month, the capacity release will not be effective until the first of the month subsequent to the upcoming month.

Capacity Assignments will be effective for an initial term of up to one year through the following November 1. Capacity Assignments shall be reviewed each November 1 and be subject to annual adjustment as described above. The new capacity assignment percentages, along with the storage maximum daily quantities and maximum storage quantities in section 3.02.2, will be available on the Company's EBB. All releases hereunder will be subject to recall under the following conditions: (1) when required to preserve the integrity of the Company's facilities and service; (2) at the Company's option, whenever the Marketer fails to deliver gas in an amount equal to the Scheduled Transportation Quantity; and (3) any other conditions set forth in the capacity release transaction between the Marketer and the Company.

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Each Marketer's capacity assignment associated with Customers in an aggregation pool shall be reviewed on a monthly basis prior to the tenth (10th) calendar day of the month, and

TRANSPORTATION TERMS AND CONDITIONS

adjusted to reflect any net changes resulting from the addition and deletion of customers to the pool.

1.07.1 Capacity Exemption for New Firm Loads:

New Customers requesting firm service that are classified as Large or Extra-Large and electing FT-1 transportation service will not be required to take assignment of the Company's capacity resources as described in 1.07.0 above and must notify the Company in writing of its intent to be Capacity Exempt. The New Customer must also initiate gas supply service from a Marketer within 60 days after the start of distribution service. In the event that the New Customer does not obtain a Marketer within 60 days of the commencement of distribution service, the Customer will be prohibited from receiving Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. Customers who fail to meet the minimum requirement for the Large classification shall be required to take assignment of the Company's capacity resources after no less than 60 days' notice. Marketers for such customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will be based on the customer's location, load characteristics and distribution system requirements.

In the event that a Marketer stops delivering gas on behalf of a customer without Company assigned pipeline capacity, the customer will be prohibited from taking firm Company sales service. Such customers shall receive and be billed for Default Transportation Service as described in Item 2.04.0 below.

1.07.2 Capacity Exemption for Non-Firm Customers Converting to Firm Service:

Non-Firm Sales and Non-Firm Transportation Customers classified as Large or Extra-Large who have been approved by the Company to receive firm distribution service and have elected FT-1 transportation service must, no later than 90 days' notice before the commencement of distribution service, either (i) request in writing a Capacity Assignment from the Company, or (ii) notify the Company in writing of its intent to retain its Capacity Exempt status. In the event that a Customer who has requested to retain its Capacity Exempt status but does not have a Marketer at the time the Customer begins receiving firm distribution service, the Customer will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0. The consumption of such Customers may be subject to annual review and confirmation by the Company. To qualify for Capacity Exempt status, Marketers for such Customers may be responsible for obtaining citygate capacity at a specific citygate on the Company's system as determined by the Company. Such determination will

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be based on the Customer's location, load characteristics, and distribution system requirements. For those Non-Firm Customers converting to firm distribution service and requesting an assignment of the Company's pipeline capacity, the Company must respond in writing within 30 days regarding the availability of pipeline capacity. If the Company is not able to provide a capacity assignment, the Customer will retain its Capacity Exempt status and will be prohibited from taking Company-supplied firm sales service and will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

In the event that a Marketer stops delivering gas on behalf of a Customer who does not have an assignment of the Company's pipeline capacity, the Customer will be prohibited from taking Company-supplied firm sales service. If the Customer is unable to secure a gas supply from a Marketer, the customer will receive and be billed for Default Transportation Service as described below in Item 2.04.0.

1.08.0 Facilities:

The Company shall own, operate and maintain, at its expense, its gas distribution facilities to the Point of Delivery. The Customer shall furnish, maintain and operate the facilities required between Company's Point of Delivery and the Customer's equipment.

1.9.0 Quality:

Marketer is responsible for insuring that all gas received, transported and delivered hereunder to the Point of Receipt meets the quality specifications and standards outlined in the General Terms and Conditions of the Transporting Pipeline's FERC Gas Tariff.

1.10.0 Possession of Gas:

Company shall be deemed to be in control and possession of transportation gas to be delivered in accordance with this service from receipt at the Point(s) of Receipt until it shall have been delivered to Customer at the Point of Delivery. Marketer shall be deemed to be in possession and control of the gas prior to such receipt by the Company and Customer shall be deemed to be in control and possession of transportation gas after such delivery by the Company to the Point of Delivery. Company shall have no responsibility with respect to such gas before it passes the Point of Receipt or after it passes such Point of Delivery or on account of anything which may be done, happen or arise with respect to such gas after Point of Delivery.

1.11.0 Provision of Future Taxes, Surcharges Fees, Etc.:

In the event a tax of any kind is imposed or removed by any government authority upon the sale or transportation of gas or upon the gross revenues derived therefrom (exclusive, however, of taxes based on Company's net income), the rate for service to Customer and/or

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Marketer, as the Company deems appropriate, shall be adjusted by an amount equal to or otherwise properly reflecting said tax. Similarly, the effective rate for service hereunder shall be adjusted to reflect any refund or imposition of any surcharges or penalties applicable to service hereunder which are imposed or authorized by any governmental authority.

1.12.0 Retention of Pipeline Fuel Adjustment:

The Company shall retain in kind, from the quantities of gas actually delivered to the Point(s) of Receipt for Marketers' accounts, the amount thereof equal to the applicable Company Fuel Allowance. Such Company Fuel Allowance shall be calculated by the Company based upon an average of the Company's most recent five (5) years' experience, fuel loss and unaccounted for or similar quantity based adjustments.

1.13.0 Limitations of Liability:

The liability of the Company shall be limited in accordance with the provisions of the Company's General Terms and Conditions.

1.14.0 Force Majeure:

Neither Company nor Marketer shall be liable to the other or to Customer for delays or interruptions in performing their respective obligations hereunder arising from any acts, delays or failure to act on the part of, or compliance by Marketer or Company with any operating standard imposed by any governmental authority, or by reason of an act of God, accident or disruption, including without limit, strikes or equipment failures, or any other reason beyond Marketer's or Company's control, provided, however, in the event of an occurrence of one or more of the foregoing events, reasonable diligence shall be used to overcome such event. The party claiming force majeure shall, on request, provide the other party with a detailed written explanation thereof, and of the remedy being undertaken.

1.15.0 Electronic Data Interchange (EDI):

The Company will require use of EDI for all transactions associated with account administration, usage and billing, and payments for the FT-2 service. The transactions requiring EDI communication are enrollments, drops, adjustments and historical usage. EDI will also be available for requesting historical usage, switching and drops for FT-1 accounts. The detail information on EDI processing is available to Marketers on request. All Marketer EDI transaction sets will be tested prior to operational implementation.

2.0 FT-1 TRANSPORTATION SERVICE:

2.01.0 Character of Service:

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This service provides firm, 365 day transportation of Customer purchased gas supplies to customers electing to have Gas Usage recorded on a daily basis at the Point of Delivery. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer shall assign Customer to an Aggregation Pool with other Customers electing FT-1 or NFT service or establish a one-customer Aggregation Pool and execute an appropriate Marketer Aggregation Pool Service Agreement. Specific Marketer requirements and obligations are described in Item 5.0 below.

2.02.0 Telemetering:

For purposes of FT-1 transportation service and NFT service, the Company will provide equipment at the Customer's facility which will allow for daily wireless readings for the purpose of the measuring Gas Usage at the Customer's Delivery Point. The Company will install, own, and maintain the equipment in service and the Customer shall be responsible for the initial lump sum fee as identified in Section 1, Schedule A, Item 12.0. The Company will attempt to read the meters daily unless the delay is caused by the wireless service provider. This service requires a data plan from a telecommunications provider, which will be under the Company's name, with the Customer being responsible for the cost as identified in Section 1, Schedule A, Item 12.0. The Company will waive the initial lump sum fee if the Company requests an existing FT-1 Customer and NFT customer who are currently being served with telemetering equipment to switch to a wireless service. The Company will provide new requests for FT-1 transportation service and NFT service using wireless readings. At the Company's discretion in situations where wireless readings are not feasible due to technical or other logistical reason, the Company will provide at the Customer's expense, at the Point of Delivery to the Customer, a device that the Company will attach to its metering equipment for the purpose of monitoring the Gas Usage. The Customer shall be responsible to supply a dedicated electrical supply and a telephone line at a location acceptable to Company and capable of transmitting information collected from the monitoring device to the Company's computer system. The Customer shall be responsible for the maintenance and service of the telephone line. Should a dedicated phone line be required, it is the responsibility of the Customer to schedule the installation, to notify Company when such installation has been completed, and the Customer is responsible for any associated charges. FT-1 and NFT transportation service shall not commence until the telemetering equipment is in place and operational.

2.03.0 Balancing:

FT-1 and NFT Service is subject to both Daily and Monthly balancing provisions. It will be the Marketer's responsibility to provide accurate and timely nominations of quantities proposed to be received and delivered by Company under this service and to maintain as nearly as possible, equality between the Gas Usage and the Actual Transportation Quantity. Marketer shall be solely responsible for securing faithful performance by Shipper and

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Transporting Pipeline, and the Company shall not be responsible as a result of any failure of Shipper or Transporting Pipeline to perform. Charges and Penalties associated with FT-1 and NFT balancing are billed to the Marketer.

2.03.1 Daily Imbalances:

The Marketer must maintain a balance between daily receipts and daily usage within the following tolerances:

- Off-Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 15% of said receipts. The Marketer shall be charged a penalty of 0.1 times the Daily Index for all differences not within the 15% tolerance.
- Peak Season: The difference between the Marketer's Aggregation Pool actual receipts and the aggregated gas usage of customers in the Aggregation Pool shall be within 10% of said receipts. The Marketer shall be charged a penalty of 0.5 times the Daily Index for all differences not within the 10% tolerance.
- Critical Day(s): The Company will determine if the Critical Day will be aggravated by an under-delivery or an over-delivery, and so notify the Marketer when a Critical Day is declared pursuant to Item 1.05 above.

If the Marketer does not deliver gas on the transporting pipelines as required in Item 1.06.0 above, the Company may charge the Marketer a penalty of 0.5 times the Daily Index for all differences less than the forty (40) percent minimum requirement on each transporting pipeline.

If the Marketer has an accumulated imbalance within a month, the Marketer may nominate to reconcile such imbalance, subject to the Company's approval, which approval shall not be unreasonably withheld.

2.03.2 Monthly Imbalances:

For each Aggregation Pool, the Marketer must maintain total Actual Transportation Quantities within a reasonable tolerance of total monthly Gas Usage. Any differences between total Monthly Transportation Quantities for an Aggregation Pool and the aggregated Gas Usage of Customers in the Aggregation Pool, expressed as a percentage of total Monthly Transportation Quantities will be cashed out according to the following schedule:

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<u>Imbalance Tier</u>	<u>Over-deliveries</u>	<u>Under-deliveries</u>
0% ≤ 5%	The average of the Daily Indices for the relevant Month	The highest average of seven consecutive Daily Indices for the relevant Month
> 5% ≤ 10%	0.85 times the above stated rate	1.15 times the above stated rate
> 10% ≤ 15%	0.60 times the above stated rate	1.4 times the above stated rate
> 15%	0.25 times the above stated rate	1.75 times the above stated rate

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% Under-delivery on a Delivering Pipeline, volumes that make up the first 5% of the imbalance are priced at the highest average of the seven consecutive Daily Indices. Volumes making up the remaining 2% of the imbalance are priced at 1.15 times the average of the seven consecutive Daily Indices.

All cash-out charges or credits, as determined above, will be applied to the Marketer's monthly invoice for the Aggregation Pool.

Designated Marketers may arrange with another of Company's Marketers providing service to the same Point of Receipt to exchange, purchase or sell daily or monthly imbalance gas. The Company will notify each Marketer of its monthly imbalance following the close of the billing month in which the imbalance occurs. Marketers will have three business days following such notification to notify Company of any imbalance exchange or sale and to confirm such transaction.

2.03.3 Pass-Through of Upstream Imbalance Charges:

In addition to other charges provided for in this Section, Marketer will be responsible for any imbalance charge or penalty imposed on Company by an upstream pipeline as a direct result of an imbalance, scheduling error, unauthorized overrun or other similar charges caused by Marketer. The Company shall assign imbalance penalties assessed to the Company by upstream pipelines to sales and transportation customers based on the extent that each group caused such penalties, as determined by the Company. The portion of any such penalty assigned to transportation service shall be further assigned to individual Marketers based on the extent to which each Marketer's Aggregation caused such penalties, as determined by the Company.

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2.04.0 Default Transportation Service:

Default Transportation Service is available to any Commercial or Industrial customer account classified as Large or Extra Large that subscribes to FT-1 Transportation Service and that does not have pipeline capacity assignment from the Company. Customers will receive this service as a result of their marketer no longer delivering gas on their behalf. Such service will continue in effect until either service is established with a new marketer through the execution of a new Transportation Application per Item 1.03.1 above or service is terminated.

This service provides for a continuous supply of gas of not less than 1,000 Btu per cubic foot, and is provided on a best efforts basis with as little as 24 hours advance notice. Where notification is at least 24 hours in advance but less than three business days before the start of a calendar month, the service provided will be Short-Notice Default Transportation Service. Where notice is provided at least three business days prior to the start of a calendar month, the service provided will be Advance-Notice Default Transportation Service. Short-Notice Default Transportation Service will be switched to Advance-Notice Default Transportation Service at the start of a subsequent month once the service has been in effect for the three business day period before the start of such month.

Default Transportation Service is a temporary surrogate for provision of gas to a customer that would otherwise be provided by a marketer, hence it includes nominating and balancing. Customer must maintain an operational telemetering device as required in Item 2.02.0 above.

2.04.1 Rates:

As indicated in Item 2.04.0 of Section 6, Schedule C of the Company's Transportation Terms and Conditions, two Default Transportation Services are available in the event that a marketer stops delivering gas on behalf of Large and Extra Large FT-1 customers who have elected to forgo the Company's assignment of pipeline capacity:

Short-Notice Service:

The commodity charge for Short-Notice service shall be the higher of:

- a. The Company's applicable firm sales rate

OR

- b. Winter (November – March) – 135% of the Daily Algonquin Citygates average price or 135% of the Daily Tennessee Zone 6 (delivered) average price published

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in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Daily Algonquin Citygates average price or 115% of the Daily Tennessee Zone 6 (delivered) average price published in Gas Daily. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Advance-Notice Service:

The commodity charge for Advance-Notice service shall be the higher of:

- a. The Company's applicable firm sales rate

OR

- b. Winter (November – March) – 135% of the Algonquin Citygates Monthly Contract Index price or 135% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

Summer (April – October) – 115% of the Algonquin Citygates Monthly Contract Index price or 115% of the Tennessee Zone 6 (delivered) Monthly Contract Index price published in the Gas Daily Price Guide. The citygate (Algonquin or Tennessee) used for pricing shall be based on the customer's location, load characteristics and distribution system requirements in accordance with Item 1.08.1 of the Company's Transportation Terms and Conditions. The published price will be adjusted for Company Fuel Allowance and GET as appropriate.

3.0 FT-2 TRANSPORTATION SERVICE:

3.01.0 Character of Service:

This service provides firm, 365 day transportation of Customer purchased gas supplies to

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customers without the requirement for recording daily Gas Usage at the Customer's Point of Delivery. Daily Nominations are calculated by the Company on the basis of a consumption algorithm, and the Marketer is obligated to deliver to the city gate and/or nominate the purchase of underground storage and peaking supplies at the city gate sufficient to meet the forecasted daily usage of its FT-2 pool customers.

The Customer's designated Marketer shall be allocated a quantity of Company contracted underground storage and peaking resources which, when combined with the pipeline capacity released, will be sufficient to meet the Customer's calculated Peak Day Use. The Marketer may purchase supplies delivered to the Company's city gate based on the Company's storage and peaking supply capabilities and costs. The ability to purchase supplies is made available to the Marketer pursuant to a written agreement with the Company, for the purpose of meeting the Company forecasted daily usage under the operational parameters described below. Additional Marketer requirements and obligations are described in Item 5.0 below.

3.02.0 Storage And Peaking Resources:

As described in Section 6, Schedule C. 1.07.0 above, the Company will annually calculate a Customer's total storage and peaking resource requirements based on the Customer's calculated Peak Day Use. It will then multiply the storage and peaking percentage applicable to the Customer's rate class times the Customer's Peak Day Use to determine the amount of capacity to be assigned to the Marketer for storage and peaking, respectively.

3.02.1 Maximum Daily Quantity (MDQ):

The result of the calculations above will establish the Customer's Maximum Daily Quantity (MDQ-P) and (MDQ-U). These parameters represent the maximum storage and peaking quantities available to the Marketer each day for meeting the Customer's Gas Usage needs.

3.02.2 Maximum Storage Quantity (MSQ):

The Customer's Maximum Underground Storage Quantity (MSQ-U) is calculated as the maximum storage quantity from underground storage over the course of the November to March withdrawal season and is calculated by the Company by multiplying the Customer's MDQ-U times the weighted average number of days of service available to the Company under its various underground storage agreements.

The Customer's Maximum Peaking Storage Quantity (MSQ-P) is calculated as the maximum amount of peaking storage over the course of the November to March withdrawal season and is calculated by multiplying the MDQ-P times the number of days that the Company's available LNG, net of amounts required for pressure support, boil-off and any heel quantities, could be used at 100% output. These

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quantities serve to define the maximum quantities that can be nominated for purchase by a Marketer and are a component of the operational parameters for the service.

3.02.3 Operational Parameters:

The available for the Underground Storage and Peaking accounts shall be tracked by the Company and made available to the Marketers via electronic means. These balances will be updated each Gas Day to reflect Marketer nominations for purchase.

The Company will establish monthly maximum purchase levels reflective of the Company's available resources and the Marketers Maximum Storage Quantities, MSQ-U and MSQ-P. There will be separate purchase levels for each month for both Underground Storage and Peaking Resources. Such levels will be as provided in the annual Gas Cost Recovery Filing.

In addition to operational parameters for monthly purchase levels, there are daily maximums established for the quantities which the Marketer can nominate for purchase. These factors vary by month and as the Marketer's entitlement level changes. Such factors will be based on the Marketer's total MDQ, the Company's storage contracts and peaking supply capabilities and will be as provided in conjunction with the annual Gas Cost Recovery Filing.

3.02.4 Purchases:

The Company will update an FT-2 aggregation pool's MSQ-U, MSQ-P, MDQ-U and MDQ-P assignments in total and for each month concurrent with the Customer's initiation of transportation service with the designated Marketer.

Marketer will then be entitled to purchase from the Company the available amount of underground storage for the month on any day up to its allowed MDQ for the month until the cumulative purchases for the month equal the monthly limit. The purchases will be at a rate calculated as indicated below. The estimated rate will be provided to the marketers by the second business day of the month in which the purchase is being made.

The Company shall develop a price for the purchases based on the Company's underground storage inventory price at the beginning of the month and for the variable costs associated with the withdrawal of the gas from storage and the transportation of the gas to the system.

The price per Dt at the Company's city gate shall be calculated using the following formula:

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$$\$/\text{Dt} = (((\text{IP} \div (1 - \text{SLF}) + \text{WWCC}) \div (1 - \text{PLF})) + \text{PCC})$$

Where:

$\$/\text{Dt}$	cost per Dekatherm charged to Marketers for underground storage inventory at the Company's city gate
IP	Underground Storage Inventory Price at Beginning of the month
SLF	Weighted Average Loss Factor on Storage Withdrawals
WWCC	Weighted Average Withdrawal Commodity Charges
PLF	Weighted Average Pipeline Loss Factor
PCC	Weighted Average Pipeline Commodity Charge.

The rate components SLF, WWCC, PLF and PCC are as calculated in the Company's most recent Gas Cost Recovery Filing.

Marketers will be entitled to purchase peaking inventory at the Company's cost of LNG inventory and Weighted Average commodity charge of pipeline supplies designated by Company as peaking resource.

3.02.5 Demand Rates:

The FT-2 Demand Rate is designed to recover the fixed costs and other miscellaneous costs associated with the provision of the underground storage and peaking resources and is billed to the Marketer:

$\$/\text{DT}$	cost per Dekatherm charged to Marketers per unit of MDQ where $\text{MDQ} = \text{MDQ-U plus MDQ-P}$.
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The FT-2 demand rate is as calculated in the Company's most recent Gas Cost Recovery Filing. The calculation is in Section 2, Gas Charge, Schedule A, Item 3.3.

3.03.0 Nominations:

The Company shall calculate the Forecasted Daily Usage (FDU) of the aggregation pool using a Consumption Algorithm for each of the customers in the aggregation pool. The Company shall have sole responsibility for such Consumption Algorithm and by selecting FT-2 service, Marketer agrees to abide by the results of such algorithm. The algorithm is:

$$\text{FDU} = \text{Base Load} + (\text{HU factor} \times \text{FDD})$$

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Where:

FDU	an individual customer account's forecasted daily usage for the next gas day
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
FDD	forecasted heating degree days for the gas day starting at 10:00 AM the next day

FDU will be adjusted for any Company fuel allowance.

The Company will provide to the Marketer no later than 9:30 AM each day using an electronic posting or via facsimile the FDU for the next gas day which would start at 10:00 AM the next day. If the Company is unable to provide to the Marketer the FDU using an electronic posting or via facsimile before 9:30 AM, the default FDU will be the prior day's FDU. The Marketer shall be obligated to nominate any combination of pipeline, underground storage or peaking equal to the FDU for the next gas day. Such nomination is to be posted on the Company's Electronic Bulletin Board in the timely cycle before the start of the next gas day. The Company shall not accept or confirm any nominations that are greater than the FDU of the aggregation pool and any nominations for storage and peaking resources must be in accordance with the applicable operational parameters. When the Marketer's cumulative storage or peaking use for the month reaches the Marketer's maximum storage or peaking use for the month, the Marketer will not be able to nominate storage or peaking quantities to satisfy the FDU nomination requirement.

3.03.1 Critical Days:

To satisfy the FDU nomination requirement on Critical Days, the Marketer is required to fully utilize upstream capacity that it received from Company through Capacity Release so as to help avoid restricting the Company's ability to provide efficient and reliable firm transportation and sales service. Notice of Critical Days will be posted on the EBB no later than concurrent with the posting of the FDU nomination requirement.

3.03.2 Over- and Under-deliveries:

If the Company declares an OFO or critical day condition reducing the tolerance for under-deliveries, any under-deliveries of the aggregation pool's gas requirements, up to the FDU, will be treated as Unauthorized Use and subject to penalty charges as

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provided in Item 1.05.0 above. Under-deliveries at times when an OFO or critical day have not been declared will be cashed out at 120% of daily index.

If the Company declares an OFO or critical day condition reducing the tolerance for over-deliveries, any over-deliveries of the aggregation pool's gas requirements, above the FDU, will be cashed out at 40% of the daily index. In addition, the Company reserves the right to reject such a nomination. Over-deliveries at other times will be cashed out at 80% of Daily Index.

3.03.3 FDU Weather True-up Cash Out:

Each month, the forecasted daily use (FDU) for each day will be recalculated and the change in consumption attributable to differences between the original forecasted degree days and actual degree days will be calculated. Each day's change in consumption will be cashed out at that day's published Daily Index.

3.04.0 Billing Imbalances:

Imbalances between customer Gas Usage and the Forecasted Daily Usage (FDU), adjusted for actual weather, will be cashed out at the average of the Algonquin and Tennessee city gate delivered monthly indexes. The Company will prorate the imbalance amount between the months billed based on the customer's base load and heating use factors and apply the average monthly index to the corresponding month's imbalance quantity, calculated as follows:

$$MU = (\text{Base Load} \times \text{Number of billed days in month}) + (\text{HU Factor} \times \text{ADDM})$$

Where:

MU	Usage attributable to that individual month
Base Load	average daily consumption for the most recent July and August billing cycles
HU Factor	most recent billing cycle consumption, minus the base load, divided by the heating degree days for the billing cycle
ADDM	actual degree days for the billing period

The imbalance amount will be a credit if deliveries exceed the customer's use and a debit if deliveries are less than the customer's use. The billed imbalance amount for any billing will be the sum of the imbalance charges or credits attributable to each individual month included in the bill. The charges or credits for the individual months will be calculated as follows:

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$$\text{IBM} = (\text{MU} - \text{FDUM}) \times (\text{AGTI} + \text{TGPI}) \div 2$$

Where:

IBM Individual Billing Month charge/credit

AGTI Algonquin Pipeline published price Index for the month

TGPI Tennessee Pipeline published price Index for the month

All quantities will be adjusted for Company Fuel Allowance.

4.0 NFT SERVICE:

4.01.0 Character Of Service:

This service provides interruptible transportation of Customer purchased gas supplies to customers with telemetering equipment and that are eligible to be classified under Section 6, Schedule A of the Company's Tariff. The Customer shall identify on the Transportation Service Application a Marketer that it has designated to perform initial and subsequent nominations, to receive scheduling and other notices from the Company, and to do balancing. Such Marketer may assign Customer to an Aggregation Pool with other Customers electing NFT or FT-1 transportation service or establish a one-customer Aggregation Pool. Specific Marketer requirements and obligations are described in Item 5.0 below. A Customer receiving NFT service does not have pipeline capacity assignment from the Company.

4.02.0 Nominations:

The nomination requirements in Item 1.04.0 above apply to the provision of NFT Service.

4.03.0 Imbalances:

The Daily and Monthly Imbalance provisions in Items 2.03 above apply equally here.

4.04.0 Curtailments:

The notification of interruption or curtailment and the provisions of failure to curtail are described in Section 6, Schedule A, Item 8.0 and Item 9.0.

5.00 MARKETER AGGREGATION SERVICE:

5.01.0 Character of Service:

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This service allows Marketers to aggregate customer accounts and form Aggregation Pools for the purpose of making initial and subsequent nominations, making delivery to a designated Point of Receipt, and for balancing of Actual Transportation Quantity with Gas Usage on Customer's behalf. The Company will transport gas, owned by the Customers of the Aggregation Pool, to the Point(s) of Delivery for each Customer included in such pool. A Marketer shall be designated by each Customer on the Transportation Service Application, and each such customer must be assigned by the Marketer to an Aggregation Pool of one or more customers. Changing the designated Marketer is allowed under the conditions in Item 1.02 above and is accomplished through the execution of a new Transportation Service Application. Once so designated, the Company will rely on information provided by the Customer's Marketer for nomination, balancing and scheduling purposes and all notices provided by the Company to Customer's Marketer shall be deemed to have been provided to the Customer.

5.02.0 Aggregation Pools:

The aggregation of Customer accounts into an aggregation pool is limited by the transportation service of the respective Customers.

The Customer's transportation service restriction requires that Customers subscribing to non-daily metered FT-2 Service must be aggregated in a separate pool from Customers subscribing to daily metered FT-1 or NFT Service. Customers subscribing to FT-1 or NFT can be combined in a single Aggregation Pool. A separate Marketer Account will be established for each Marketer Aggregation Pool.

The Marketer Aggregation Pool Service Agreement have an initial term through the following November 1. Thereafter, the Pool Service Agreement shall be automatically renewed for successive one year terms, unless notice of termination is provided by the Marketer on or before October 1 or if the Company has terminated the agreement under its collection procedures. Marketers may assign their Aggregation Pool Service Agreements to another certified Marketer with the Company's consent.

5.03.0 Marketer Qualifications:

In order to be designated hereunder as a Marketer, the Marketer must meet the following qualifications:

- (1) The Marketer must be authorized by the PUC in accordance with PUC Regulations for Utility Interaction with Gas Marketers;
- (2) The Marketer must demonstrate to the Company that it meets the following creditworthiness standards:
 - A. The Marketer, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two

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rating agencies. For the purposes of this Section, minimum rating shall mean “BBB” from Standard & Poor’s, “Baa2” from Moody’s Investor Service, or “BBB” from Fitch Ratings (minimum rating)

- B. If a Marketer or a guarantor, is not rated by Standard & Poor’s, Moody’s Investor Service or Fitch Ratings, it shall satisfy the Company’s creditworthiness requirements if the Marketer, or a guarantor maintains a minimum “1A2” rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the Marketer maintains 24 months good payment history with the Company
 - C. In the event that the Marketer has not met the credit standards above, then the Marketer must so notify the Company and the Marketer will be required to use one of the financial vehicles specified in 5.03.3 to satisfy the Company’s credit standards.
- (3) Marketers must have an executed Marketer Aggregation Pool Service Agreement with the Company and accepted its designation as the marketer for each customer by countersigning the applicable Transportation Service Application.
 - (4) Marketers must provide the Company with a copy of their GET exemption certificate, state sales tax exemption certificate or other appropriate exemption certificate(s) in order to be exempt from the applicable taxes.

5.03.1 Marketer Disqualification:

A Marketer may be disqualified from participating in the transportation program for any of the following conditions:

- (1) Failure to continue to meet all the conditions set forth in Section 5.03.0 with respect to authorization by the PUC and the credit standards set out in 5.03.0, and abide by the terms and conditions of the Marketer Aggregation Pool Service Agreement set forth in Section 6.0.
- (2) Failure to pay an invoice from the Company on the due date or maintain sufficient credit. If Marketer fails to pay an invoice on the due date or the Marketer’s credit limit or security is insufficient to cover the unpaid amount, the Company may discontinue participation in the customer transportation program; provided however, that at the Marketer’s request, the Company will allow up to 10 business days for the Marketer to cure any failure to pay or any shortfall provided such action, as determined solely by the Company, will not result in harm to its customers or the gas system.
- (3) If a Marketer, through its actions, causes a significant risk or condition that compromises safety, system security or operational reliability and fails to

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eliminate that risk or condition when notified, the Company may immediately discontinue the Marketer's participation in the customer transportation program.

- (4) If the Marketer fails to provide supply at a level that reasonably matches its customers' daily requirements for its daily balanced pool or, when directed by the Company to deliver a certain quantity under the FT-2 service it fails to deliver the required amount, the Company may discontinue the Marketer's participation in the customer transportation program.

5.03.2 Calculation of Credit Risk and Security for Natural Gas Imbalance Risk:

The Company may require a Marketer to provide security equal to three times the highest month's gas usage of the Marketer's Aggregation Pool at the firm sales rate applicable to the upcoming peak period. This amount may be updated at the Company's discretion

5.03.3 Security Instruments:

The following financial arrangements are acceptable methods of providing security:

- (1) Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Rhode Island Public Utilities Commission;
- (2) Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
- (3) Security interest in collateral; or,
- (4) Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
- (5) Other means of providing or establishing adequate security.

The Company may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any Marketer.

If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to a Marketer falls below an "A" rating, the Company shall allow a minimum of five business days for a Marketer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

The Marketer agrees that the Company has the right to access and apply the deposit, letter of credit or other financial vehicle to any payment obligations, not in dispute, which are deemed by the Company to be late. The Company may review and determine the status of a Marketer's creditworthiness at its sole discretion. If Marketer is unable to maintain the Company's credit approval or otherwise ceases to meet the Marketer Qualifications, the Company may terminate the Marketer

TRANSPORTATION TERMS AND CONDITIONS

Aggregation Pool Agreement as of the first day of the month following written notice to Marketer.

5.04 Intentionally Left Blank

5.05 Billing:

Billing for monthly customer charges and transportation charges for quantities actually delivered shall be based on the readings at each individual meter for the Customer and billed on a billing cycle basis to the Customer. The Customers and Marketers shall be liable for all rates, charges and surcharges allowed for in the Company's Rate Schedules related to transportation services provided to each customer individually.

Calculation of charges applicable to the Aggregation Pool will be based on aggregated Gas Usage, MDQ's, etc. of all Customers in the Aggregation Pool. Billing for charges applicable to an Aggregation Pool, e.g., imbalance charges, credits or penalties, and FT-2 Throughput charges shall be billed to the Marketer on a calendar month basis.

All bills rendered to the Marketer are due within ten (10) days from the date of the invoice. A late payment charge, in accordance with regulations of the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers, shall accrue after ten (10) days.

6.0 SERVICE AGREEMENTS: (See Attached Sheets)

TRANSPORTATION TERMS AND CONDITIONS

The Narragansett Electric Company, Transportation Service Application

This Transportation Service Application ("Application") must be completed by the customer and the marketer prior to the commencement of the requested Transportation Service.

Rhode Island Energy: The Narragansett Electric Company
d/b/a Rhode Island Energy
175 East Old Country Road
Hicksville, NY 11801
Attn: Supplier Services

Customer:

Notice to: Customer Contact Center:
1-800-870-1664

Notice to:

The Customer hereby requests Transportation Service subject to the Rhode Island Energy General Terms and Conditions, Section 1 of RIPUC RIE-GAS No. 101, its Transportation Terms and Conditions, Section 6, Schedule C and, under the terms and conditions set forth herein. Rhode Island Energy shall review this Application and notify the Customer of its approval or rejection by way of a Confirmation Letter that shall set forth the terms and conditions of the Customer's Transportation Service. Upon Customer's and Marketer's fulfillment of all conditions set forth in the Confirmation Letter, such Confirmation shall represent an Agreement by Rhode Island Energy to provide Transportation Service consistent with this Application and the Transportation Terms and Conditions set forth in Section 6, Schedule C of RIPUC RIE-GAS No. 101.

Account Number	Meter Number	Service Address	FT-1	NFT
1)				
2)				
3)				

- Transportation Service shall commence in accordance with Item 1.02, Section 6, Schedule C of RIPUC RIE-GAS No. 101
- FT-1 and NFT Services require telemetry. A telemetering device and related equipment installed by Rhode Island Energy shall remain Rhode Island Energy property at all times. The Customer shall provide Rhode Island Energy with access to a phone line that meets Rhode Island Energy specifications for telemetering purposes. The customer is financially obligated for the costs to acquire, install and operate the telemetering device and related equipment.
- Provision of transportation service based on this Application shall have an initial term through the following November 1st, unless sooner terminated in accordance with the terms and conditions of Rhode Island Energy's Tariff, and shall continue thereafter from year to year unless terminated by customer, Marketer, or Rhode Island Energy upon not less than 30 days prior written notice.

Public Regulation

The Narragansett Electric Company is a public utility subject to regulation by the Rhode Island Public Utilities Commission ("Commission"). The provision of transportation service as a result of this Application is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to this Application. Compliance by Rhode Island Energy with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the commencement of transportation service, shall relieve Rhode Island Energy of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of such service, either Rhode Island Energy, the customer, or the Marketer shall have the option to terminate transportation service by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

Customer Signature

Title

Print or Type Name

Date

Phone #

Contact in event of telecommunications issue : Print or Type Name

Phone #

This section to be filled out by the Marketer

By signing below and pursuant to its separate Marketer Aggregation Pool Service Agreement, the Marketer (i) accepts the designation as the customer's marketer and (ii) agrees to pay all applicable Marketer charges in accordance with Rhode Island Energy's tariff, including its Transportation Terms and Conditions

TRANSPORTATION TERMS AND CONDITIONS

Marketer

Marketer Signature

Title

Phone #

Print or Type Name

Date

TRANSPORTATION TERMS AND CONDITIONS

THE NARRAGANSETT ELECTRIC COMPANY MARKETER AGGREGATION POOL SERVICE AGREEMENT

This Agreement ("Agreement") is entered into this _____ day of _____, 20__, by and between The Narragansett Electric Company, d/b/a Rhode Island Energy, a subsidiary of PPL Corporation with a place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island 02907 (herein called "Rhode Island Energy", "RIE", or the "Company") and _____ (herein called "Marketer.")

WITNESSETH THAT:

WHEREAS, the Company's tariff, RIPUC RIE-GAS No. 101, Section 6, Schedule C, provides for and establishes terms and conditions for a Marketer Aggregation Pool; and

WHEREAS; Marketer desires to establish an Aggregation Pool and desires Company to provide pool aggregation services pursuant to such Schedule C and to transport quantities of gas delivered by Marketer for use at the locations of customers belonging to the Aggregation Pool (hereafter called "Points of Delivery"); and

WHEREAS: Company, is willing to provide such service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company's General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will transport and deliver to customers of Marketer's Aggregation Pool such quantities of Marketer's gas delivered by Transporting Pipeline to Company's distribution facilities (hereafter called "Point of Receipt").

1.0 AGGREGATION POOL:

1.1 Marketer is establishing a single Aggregation Pool as indicated by an X:

Daily Metered _____
Non-daily Metered _____

1.2 Marketer hereby subscribes to Company's Marketer Aggregation Service pursuant to Item 5.00 of the Company's Transportation Terms and Conditions, Section 6, Schedule C.

1.3 Marketer represents and warrants that Marketer has met and will continue to meet the Marketer qualifications in Item 5.03 of Company's Transportation Terms and Conditions, Section 6, Schedule C.

1.4 Marketer agrees to provide to Company no later than 30 days before the above identified commencement date Transportation Service Applications for all end user customers in Marketer's Aggregation Pool identified in 1.1 above. Such list is to include: Customer Name; Billing Address; RIE account #; and, name and telephone number of customer contact person.

TRANSPORTATION TERMS AND CONDITIONS

1.5 Marketer agrees to notify Company in writing of any changes in the makeup of an Aggregation Pool as provided in the Company's Transportation Terms and Conditions.

1.6 Marketer represents and warrants that it has accepted the designation as the Marketer of each customer of the Aggregation Pool and agrees in each case to be bound by, perform, and pay all charges applicable to transportation service to the Customer's account in accordance with the provisions of the Company's tariff.

2.0 PIPELINE CAPACITY RELEASE:

2.1 Company agrees to provide to Marketer no later than 15 days before the above identified commencement date, the quantity of interstate pipeline capacity allocated for Marketer's FT-1 and FT-2 Aggregation Pool(s) broken down by individual customer.

2.2 Marketer agrees to accept assignment of such firm interstate pipeline capacity in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

2.3 Company agrees to update the calculation of the quantity of interstate pipeline capacity annually based on customers' most recent historical usage in accordance with the Company's Transportation Terms and Conditions, Schedule C, Item 1.07.

3.0 PUBLIC REGULATION:

3.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.

3.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement.

4.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

TRANSPORTATION TERMS AND CONDITIONS

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

	By	_____
	Signature:	_____
	Name:	_____
	Title:	_____
_____	Date:	_____

Witness

	By	The Narragansett Electric Company
	Signature:	_____
	Name:	_____
	Title:	_____
_____	Date:	_____

Witness

TRANSPORTATION TERMS AND CONDITIONS

THE NARRAGANSETT ELECTRIC COMPANY STORAGE AND PEAKING RESOURCE AGREEMENT

This Agreement ("Agreement") is entered into this _____ day of _____, 20__, by and between the Narragansett Electric Company, d/b/a Rhode Island Energy, a subsidiary of PPL Corporation with a principal place of business in the State of Rhode Island at 280 Melrose Street, Providence, Rhode Island (herein called "Rhode Island Energy", "RIE", or the "Company") and _____ (herein called "Marketer.")

WITNESSETH THAT:

WHEREAS, Marketer seeks to obtain service respecting a quantity of the Company's contracted underground storage and peaking resources pursuant to the terms and conditions for FT-2 Transportation Service in the Company's tariff, RIPUC RIE-GAS No. 101, Section 6, Schedule C; and

WHEREAS; Marketer desires that the Company transport quantities of gas delivered by Marketer for use at the locations of customers belonging to an FT-2 Aggregation Pool (hereafter called "Points of Delivery"); and

WHEREAS: Company, is willing to provide such storage and transportation service to Marketer.

NOW, THEREFORE, Company and Marketer agree that Company, subject to the Company's General Terms and Conditions, Transportation Terms and Conditions, limitations and provisions hereof, commencing _____ 1, 20__, will provide to Marketer storage and peaking services in association with Marketer account number _____ under the terms and conditions set forth below.

1.0 SCOPE OF AGREEMENT:

1.1 The Company will calculate the Maximum Storage Quantities for both Underground Storage and for Peaking services ("MSQ-U" and "MSQ-P" respectively) as well as the Maximum Daily Quantities for both Underground Storage and Peaking services ("MDQ-U" and "MDQ-P" respectively) in accordance with Item 3.02 in Section 6, Schedule C of the Company's tariff. Such calculated quantities can change during the term of the agreement to the extent that the makeup of the Marketer's FT-2 Aggregation Pool changes.

1.2 Marketer hereby agrees to utilize and manage such services and inventories attributed to its account in accordance with the Operational Parameters described in Item 3.02.3 of the Company's Transportation Terms and Conditions, Section 6, Schedule C and as on file with the Public Utilities Commission as part of the Company's annual Gas Cost Recovery filing.

TRANSPORTATION TERMS AND CONDITIONS

2.0 INVENTORY SERVICES:

- 2.1 All nominations for purchases from storage will take place at the Company's city gate.
- 2.2 Purchases of inventory service from the Company will be as stated in the Company's currently effective tariff.
- 2.3 Purchase of any storage inventory service from the Company will require payment via electronic transfer of funds within ten days of the invoice date.
- 2.4 Marketer acknowledges that it shall bear no ownership interest in any other storage or peaking assets or inventory of the Company.

3.0 SUCCESSORS AND ASSIGNS:

- 3.1 This Agreement shall be binding on the parties hereto and their respective successors and assigns. This Agreement may not be assigned by Marketer without the prior written consent of the Company.

4.0 PUBLIC REGULATION:

- 4.1 Company is a public utility subject to regulation by Rhode Island Public Utilities Commission ("Commission"). This Agreement is subject to any limitations, modifications or amendments ordered by the Commission, regardless of whether said order resulted from a petition, request or other solicitation directed to the Commission by a party to the Agreement. Compliance by Company with any order, rule, regulation or policy statement of the Commission, or of any other federal, state or local governmental authority, whether issued before or after the effective date of this Agreement, shall relieve Company of any liability for its failure to perform any of its obligations hereunder as a result of such compliance. In the event of the issuance of any order of the Commission which materially modifies the provisions of this Agreement, either Company or Marketer shall have the option to terminate this Agreement by giving written notice of termination to the other party at any time within thirty (30) days after the issuance of said order.
- 4.2 This Agreement shall be subject to Company's General Terms and Conditions and Transportation Terms and Conditions on file with the Commission, including provision thereof limiting the Company's liability, to the extent those Terms and Conditions are not inconsistent with the provisions of this Agreement. Upon request of the Marketer, Company shall provide the Marketer with a copy of Company's complete filed Tariff and Terms and Conditions.

5.0 GOVERNING LAW:

This Agreement is entered into and shall be construed in accordance with the laws of the State of Rhode Island and any actions hereunder shall be brought in the appropriate forum within the State of Rhode Island.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC RIE-GAS No. 101

Section 6
Transportation Terms and Conditions
Schedule C, Sheet 36
Tenth Revision

TRANSPORTATION TERMS AND CONDITIONS

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement by their duly authorized officers:

	By	_____
	Signature:	_____
	Name:	_____
	Title:	_____
Witness	Date:	_____

	By	The Narragansett Electric Company
	Signature:	_____
	Name:	_____
	Title:	_____
Witness	Date:	_____

GAS LAMPS
RATE 80

1.0 AVAILABILITY:

This service is available for gas lamps, without meters, to customers of record on July 1, 2002 throughout the Company's service territory and is not available to new commercial accounts.

2.0 CHARACTER OF SERVICE:

A continuous supply of gas of not less than 1,000 Btu per cubic foot.

3.0 RATES: On a monthly basis: \$9.52 per lamp

4.0 GENERAL RULES AND REGULATIONS:

The Company's General Rules and Regulations, in Section 1 of RIPUC RIE-GAS No. 101, as in effect from time to time and where not inconsistent with any specific provisions hereof, are a part of this Schedule.

5.0 RHODE ISLAND GROSS EARNINGS TAX:

The application of the above rates is subject to the Rhode Island Gross Earnings Tax provisions in Section 1, Schedule C.

6.0 LIHEAP ENHANCEMENT:

The application of the above rate is subject to the Low Income Home Energy Assistance Enhancement Plan (LIHEAP) provisions in Section 7, Schedule C.

OTHER MISCELLANEOUS CHARGES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT CHARGE

1.0 LOW INCOME HOME ENERGY ASSISTANCE PLAN (LIHEAP) ENHANCEMENT CHARGE:

In accordance with R.I.G.L. § 39-1-27.12, the Company shall bill monthly to all customers a Low Income Home Energy Assistance Plan enhancement charge (“LIHEAP Charge”) approved by the PUC, provided however that the annual charge shall not exceed \$10 per customer, per year. For purposes of this section a “customer” is defined as any person taking service at a single point of gas delivery or gas meter.

The monthly rate for the LIHEAP Charge is a per customer charge and shall appear as a separate line item on a customer’s bill. The LIHEAP Charge is set annually, effective January 1.

1.1 LIHEAP Enhancement Fund:

The Company shall establish a LIHEAP Enhancement fund that shall be used to account for the combined funds collected through the LIHEAP Charge from both gas and electric service customers. The Rhode Island Department of Human Services (“DHS”) shall designate to the Company the qualifying customer accounts and the amounts to be credited from the LIHEAP Enhancement fund. The cumulative amount of credits applied to customer bills will be limited to an amount no greater than the cumulative aggregate projected LIHEAP Charges billed through the end of the current calendar year. Once the aggregate credits applied to customer bills equals the aggregate projected LIHEAP Charges billed through the end of the current calendar year, including interest as defined below, the application of the LIHEAP Enhancement credits would cease. Any difference in aggregate cumulative actual LIHEAP Charges billed and aggregate cumulative credits applied to customer bills, will accrue interest at the customer deposit interest rate.

The projected annual revenue in the LIHEAP Enhancement fund billed through the gas and electric service LIHEAP Charges shall not exceed seven million five hundred thousand dollars (\$7,500,000) and shall not be less than six million five hundred thousand dollars (\$6,500,000).

Beginning on September 1, 2016 and monthly thereafter between April 15 and September 30 of each year, the Company will set aside a minimum of 5 percent of the funds billed through the LIHEAP Charge, to be allocated to provide assistance to customers seeking LIHEAP certification for the sole purpose of entering into the Arrearage Management Program (“AMP”) as described in R.I.G.L. § 39-2-1(d)(2). This fund is designated for homeless

OTHER MISCELLANEOUS CHARGES

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM PLAN ENHANCEMENT
CHARGE**

families or individuals who are transitioning from a shelter into housing who provide acceptable documentation to DHS. Remaining funds available after September 30 of each year will be eligible for use in the upcoming winter season.

1.2 LIHEAP Eligible Customer:

For purposes of receiving funds from the LIHEAP Enhancement fund in subpart 7.1 above, a qualifying LIHEAP eligible customer shall be a household with a combined gross income equal to or less than 60 percent of the state median household income as calculated by the U.S. Bureau of Census and as adjusted for family or group size by the U.S. Department of Health and Human Services regulation 45 CFR § 96.85 or its successor regulation.

OTHER MISCELLANEOUS CHARGES

2.0 RESIDENTIAL ASSISTANCE PROVISION

The DAC contained in all of the Company's firm rate classes except for the Low Income Rates 11 and 13 shall include a Low Income Discount Recovery Factor ("LIDRF") to recover the cost of bill discounts provided to customers receiving service on Rates 11 and 13. In addition, the DAC contained in all of the Company's firm rate classes shall include an Arrearage Management Adjustment Factor ("AMAF") to recover the cost associated with the operation of the Arrearage Management Program ("AMP").

2.1 LOW INCOME BILL DISCOUNTS

On an annual basis, the Company shall estimate the discount to be provided to Rates 11 and 13 customers. The estimated discount will be twenty-five (25) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. For those customers who are receiving benefits through Medicaid, General Public Assistance, and/or the Rhode Island Works Program (formerly known as the Family Independence Program) or successor programs, the estimated discount will be an additional five (5) percent for a total discount of thirty (30) percent of the forecasted Rates 11 and 13 annual billing units multiplied by the Rates 11 and 13 customer charge and the sum of the Base Distribution Charges, the Distribution Adjustment Charges, the Energy Efficiency Charges, and the Gas Charges in effect during the period. This estimate of the discount shall be used to determine the amount to be reflected in the Distribution Adjustment Charge on prospective basis. The amount shall be divided by the estimated therms to be delivered by the Company to all customers excluding customers on Rates 11 and 13. Such per therm charge is referred to as the LIDRF.

The revenue billed through the LIDRF shall be subject to reconciliation against the actual bill discounts provided during the twelve month reconciliation period for which the LIDRF is in effect, and any over- or under-recovery of the actual discount provided shall be reflected in the Reconciliation Factor.

For purposes of the above reconciliation, the Company shall accumulate the actual discounts provided to Rates 11 and 13 customers and the revenue billed through the LIDRF and shall accrue interest on the difference between these amounts at the interest rate paid on customer deposits on a monthly basis.

Should any balance remain subsequent to the recovery of the over- or under-recovery balance as described above, the Company shall reflect, as an adjustment in the then-current reconciliation period, the amount of the remaining balance.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT PROGRAM PROVISION

3.0 ARREARAGE MANAGEMENT PROGRAM:

In accordance with R.I.G.L. § 39-2-1(d)(2), commencing on September 1, 2016, the Company shall implement an AMP pursuant to this tariff provision.

I. PROGRAM ELIGIBILITY

In order to be considered eligible for enrollment in the AMP, a customer who has been terminated from gas service or is recognized, pursuant to a rule or decision by the Division, as being scheduled for actual shut-off of service on a specific date, shall meet all of the following criteria:

- The applicant must be the customer of record, although the customer of record may authorize someone else to communicate with the Company to help enroll the customer of record in the AMP;
- The applicant must be eligible for the federal low-income home energy assistance program (“LIHEAP”);
- The account must be receiving retail delivery service on the Company’s Residential Low-Income Rates 11 and 13;
- The customer’s account must have a minimum balance of \$300.00 that is more than 60 days past due;
- If service to the account has been terminated, the customer must make an initial payment of 25% of the total unpaid balance (current and past due), unless otherwise directed by the PUC as a result of an emergency regulation;
- The customer must agree to a payment plan, as further described in Section III;
- The customer must agree to remain current with payments. “Remaining current” means that the customer:
 - 1) misses no more than two (2) payments in the 12-month term of the payment plan; and
 - 2) pays the amount due under the payment plan in full by the conclusion of the payment plan’s 12-month term;
- The customer must agree to participate in the Company’s Energy Efficiency programs; and
- The customer must apply for other available energy assistance programs, such as fuel assistance and weatherization

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

II. ENROLLMENT

To participate, the customer must affirmatively apply to participate in the AMP.

The Company shall administer the AMP enrollment process in compliance with the eligibility qualifications outlined in Section I. By applying to participate in the AMP, the customer agrees to comply with the terms of the AMP, including the customer's specific payment plan. After a customer has applied to the AMP, the Company shall determine whether the customer has met all of the AMP eligibility criteria set forth in Section I, based on the Company's records. The Company will coordinate with the Community Action Program ("CAP") agencies to validate customer eligibility when appropriate.

III. PAYMENT PLAN

AMP participants shall enroll in a 12-month payment plan, paid in equal monthly installments, which will cover new charges based upon their current estimated annual usage ("Payment Plan").

The current component of the Payment Plan shall be based on the customer's average monthly usage for the previous year less the customer's actual or anticipated fuel assistance commitments, and shall be converted to a fixed monthly payment.

IV. ARREARS FORGIVENESS

AMP participants will be eligible for forgiveness of their account balance that is past due at the time of the first bill under their Payment Plan, up to an annual maximum of \$1,500. With each payment under the Payment Plan, a portion of the participant's outstanding past due account balance as described above is forgiven in an amount equal to the total past due account balance or \$1,500, whichever is less, divided by 12; provided, however, that the annual arrearage forgiveness amount shall not exceed \$1,500.

If an AMP participant's past due account balance at the time their Payment Plan takes effect exceeds \$1,500, the AMP participant may request an extension of the Payment Plan beyond the initial 12-month term to establish a new Payment Plan to accommodate the additional account balance in excess of \$1,500. To be eligible for an extension, the AMP participant must be current with their Payment Plan at the conclusion of the initial 12-month term. Such AMP participant's Payment Plan will be extended upon the AMP participant's timely request for an extension.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

PAYMENT PLAN REVIEW

Customers applying to participate in the AMP will be advised that the amount of their required monthly payment under their Payment Plan may change over the lifetime of the Payment Plan.

The Company shall review the Payment Plans of active AMP participants every three months and may adjust the installment payments based on the following:

- A fuel assistance commitment is made subsequent to enrollment;
- There is a change in fuel assistance, such as a change in the amount, from what was understood at enrollment;
- The customer moves to a new address with a different average monthly usage for the previous year;
- Actual usage patterns differ from what was estimated as annual usage at enrollment; or
- There is a significant change in the Company's rates from what was anticipated at enrollment.

V. DEFAULT

The Company shall consider the AMP participant's billing account in default if either of the following occurs:

- The AMP participant misses more than two (2) payments in the 12-month Payment Plan term; or
- If the amount due under the Payment Plan is not paid in full by the conclusion of the 12-month Payment Plan term.

Upon default, the Company shall terminate an AMP participant from the AMP and the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

Customers shall have the option to opt out of continued participation in the AMP at any time, with the understanding that any unpaid balance will be due and payable in full. Customers who voluntarily opt out of the AMP will receive the same treatment as those customers who default on their Payment Plans under the AMP, as set forth in Section X (Subsequent Eligibility).

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

VI. TERMINATION

In addition to termination upon default, a customer's participation in the AMP shall terminate if either of the following occurs:

- The AMP participant moves outside of the Company's service territory; or
- The AMP participant moves from one service location to another service location.

If a customer is terminated from AMP participation, the customer's unpaid balance will be due and payable in full. However, any arrearage forgiven under the AMP prior to termination of participation in the AMP will remain forgiven.

VII. COLLECTION ACTIVITY

AMP participants shall not be subject to the Company's normal collections activities while actively participating in the AMP. The Company shall resume normal collections activities if an AMP participant defaults while participating in the AMP or terminates the AMP.

VIII. AMP BILLING AND ACTIVE PLAN NOTICING

The Company shall remove the amount of an AMP participant's arrears balance up to \$1,500 from the "current amount due" field on certain views of AMP participant accounts in the Company's billing system. However, the arrears balance up to \$1,500 shall remain on the customer's bill.

Customers who are enrolled in the AMP will receive an AMP "Enrollment Letter" outlining the terms and conditions of their participation in the AMP.

Customers in danger of defaulting from the AMP will receive a default letter advising them of the need to make all required payments or risk default, termination from the AMP, and a return to the Company's normal collections activities.

IX. SUBSEQUENT ELIGIBILITY

A customer is eligible for subsequent enrollment in the AMP provided two years have passed since either (a) the date of the customer's successful completion of the AMP, or (b) the date on which the customer's participation in the AMP was terminated as a result of default or because the customer voluntarily opted out of the AMP, so long as a CAP agency has provided a recommendation to allow eligibility notwithstanding the customer's default or voluntary opt out of the AMP. The Company shall review requests for re-enrollment on a case-by-case basis to determine that the foregoing criteria are met.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

X. REPORTING METRICS

The Company shall report monthly and annually the metrics below to allow for the evaluation of the effectiveness of the AMP. The monthly and annual reports shall be submitted to the PUC in Docket No. 4290.

- Number of customers enrolled in the program at the end of the reporting period;
- Number of customers added to the program during the reporting period;
- Number of customers terminated from the program (by choice or default) during the reporting period;
- Number of customers who successfully completed the program during the reporting period;
- Total customer payments during the reporting period;
- Total amount to be forgiven for all participating customers at the end of the reporting period;
- Average amount to be forgiven for all participating customers at the end of the reporting period;
- Total amount to be paid under a payment plan for all participating customers at the end of the reporting period;
- Average arrears balance not yet forgiven of all participating customers at the end of the reporting period;
- Average arrears balance as a percentage of the total balance due for all participating customers at the end of the reporting period;
- Total amount of arrears outstanding for all participants at the end of the reporting period;
- Total amount of forgiveness credits (allowances) given during the reporting period;
- Number of forgiveness credits (allowances) given during the reporting period;
- Average amount of forgiveness credits (allowances) given during the reporting period;
- Number of participants receiving LIHEAP at the end of the reporting period;
- Percentage of participants receiving LIHEAP at the end of the reporting period; and
- Total LIHEAP payments received during the reporting period.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

The Company shall also provide a schedule with the number of customers enrolled in the AMP, by month, together with the number of defaults and program terminations.

XI. COST RECOVERY

The DAC applicable to all the firm rates of the Company shall contain an Arrearage Management Adjustment Factor (“AMAF”) designed to recover incremental costs incurred associated with the AMP. Incremental costs include the amount of arrearage forgiven. The recovery of the arrearage amounts forgiven by the Company through the AMP is dependent on the following criteria:

- i. If a customer does not satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), the amount of arrearage forgiven by the Company to that point shall remain forgiven and be written off by the Company. However, the amount of arrearage forgiven by the Company is recoverable in full.
- ii. If a customer does satisfy the conditions of R.I.G.L. § 39-2-1(d)(2), all arrearage amounts forgiven will be treated as bad debt. At the end of each calendar year, the Company will perform a test to determine if the amount of bad debt for the year exceeds the adjusted allowable bad debt from the Company’s most recent general rate case. This adjusted allowable bad debt will be calculated using the distribution uncollectible amount determined in the last general rate case, updated for the current calendar year Gas Cost Recovery, DAC, and energy efficiency-related bad debt. Should the actual amount of bad debt incurred by the Company for the year exceed this adjusted allowable bad debt amount, the Company will be entitled to recover, in the following year, all amounts of arrearage forgiven under R.I. Gen. Laws § 39-2-1(d)(2)(xiv) in the prior year in excess of the allowable bad debt. If, however, the amount of the arrearage forgiven under § 39-2-1(d)(2)(xiv) in excess of the adjusted allowable bad debt for a given year is not significant enough to calculate an annual reconciling factor for that year, the Company may reflect such amount in its next Revenue Decoupling Mechanism reconciliation filing.

The AMAF shall be a uniform per therm factor based on the estimated therms to be delivered by the Company to its gas customers over a 12-month period. For billing purposes, the AMAF will be included with the DAC charge on customers’ bills. Should any balance remain outstanding subsequent to the recovery of costs associated with the AMP as described above, the Company shall reflect this balance as an adjustment in the subsequent period.

OTHER MISCELLANEOUS CHARGES

ARREARAGE MANAGEMENT ADJUSTMENT PROVISION

XII. ADJUSTMENT TO RATES

Adjustments to rates pursuant to the Arrears Management Program Provision are subject to review and approval by the PUC. Modifications to the factor contained in this Provision shall be made in accordance with a notice filed with the PUC pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

SERVICE AND MAIN EXTENSION POLICIES

**THE NARRAGANSETT ELECTRIC COMPANY
POLICY 1
NATURAL GAS SERVICE AND MAIN EXTENSION POLICY
FOR NEW INDIVIDUAL RESIDENTIAL CUSTOMERS**

When an individual residential customer or a group of individual residential customers¹ (“Customer”) request installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”). This policy shall apply to firm service customers.

1. **Installation of Service Line**

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. **Main Extension**

The Company will install a “Main,” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described in Item 6 below.

3. **System Reinforcement(s)**

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

¹A group of residential customers may include a residential subdivision, all or a portion of residential homes along a public way, or a multiple unit building with individually metered residential dwellings.

SERVICE AND MAIN EXTENSION POLICIES

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the distribution charges from the installation of the new facilities. Any revenue from the Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Program Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service Line and Main Extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a callout fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, Department of Environmental Management (“DEM”) permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts, or upgrading of an existing service for added load.

6. Customer Payments

6.1 Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the

SERVICE AND MAIN EXTENSION POLICIES

applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV) analysis to determine the appropriate customer contribution, or CIAC, which includes a tax contribution factor based on the cash contribution and/or value of donated property. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to the Company commencing construction.

6.2 Additional Payment

When, in the Company's opinion, an engineering study is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

6.3 Payment Terms

For CIAC charges up to \$6,000 per Customer, each Customer will be required to pay the entire amount before the start of construction. If an individual Customer's CIAC is greater than \$6,000, the Customer will have the option to either pay the entire amount before the start of construction, or pay \$6,000 before the start of construction and pay the amount in excess of \$6,000 under a payment plan. The terms of the payment plan will be based on equal payments of at least \$75 per month until the amount in excess of \$6,000 is paid in its entirety. The term of the payment plan is not to exceed a period of five (5) years or sixty (60) months. The amount collected under the payment plan will include interest at the rate paid on customer deposits. The Customer can choose to pay the remaining balance at any time within the five-year period without penalty.

6.4 Change of Customer

The Customer must agree, as a condition of the monthly payment terms, that if he/she sells, leases, or otherwise transfers control and use of the property to another individual ("New Occupant"), and such New Occupant opens a new account with the Company, the Customer will obtain an agreement from such New Occupant to pay the remaining balance that would have been owed by the Customer at that location. Otherwise, the Customer will remain personally liable for the balance owed. The Company reserves the right to place a lien on the property until such time that the obligation is fulfilled.

SERVICE AND MAIN EXTENSION POLICIES

6.5 Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request reconciliation in accordance with the following:

6.5.1 Per-Foot Basis

In instances where the Customer has paid a CIAC derived using per-foot rates, the final actual footage for the project exceeds 125 feet, and the difference between the final actual footage and estimated footage exceeds 25 feet then the Company will calculate the difference between the estimated and actual feet multiplied by the per-foot cost. The resulting difference will be refunded to the Customer.

6.5.2 Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

7. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

8. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust CIACs or initiate refunds as appropriate.

9. Gas Service Agreement

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s)

SERVICE AND MAIN EXTENSION POLICIES

to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

10. **Seasonal Limitations on Underground Construction**

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

11. **Easements**

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.

12. **Changes in Policy and Procedures**

The policies, procedures, and charges set forth herein are subject to periodic review and may be expanded, updated, revised, and/or modified from time to time at the Company's discretion and with the Division's approval.

13. **Thresholds for CIAC Waivers**

This matrix below shows, by Customer Subcategory, the service length and or service & main installation combinations that would result in no charge to the Customer. Any variation from what is shown here may result in a cost to the Customer based on length of service line and main, type of service (residential, C&I, etc.) and pipe size. Please contact the Company directly for further information regarding costs related to jobs that exceed the thresholds shown below.

SERVICE AND MAIN EXTENSION POLICIES

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		Conversion	New Homes XXLarge	New Homes XLarge	New Homes Large
Approximate Square Footage			4500	3500	2400
Annual Load (ADTh)		123	255	201	142
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	177	139	96
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	157	119	76
	15	51	146	109	66
	20	41	137	99	56
	25	31	127	89	46
	30	21	117	78	36
	35	11	107	69	26
	40	N/A	97	58	16
	45	N/A	86	48	5
	50	N/A	76	38	N/A
	55	N/A	67	28	N/A
	60	N/A	57	17	N/A
	65	N/A	47	8	N/A
	70	N/A	37	N/A	N/A

Pipe Size	Service Main	Under 2" 2"	Under 2" 2"	Under 2" 2"	Under 2" 2"
Customer Subcategory		New Homes Med	New Homes Small	Apartment/Condo Small	Apartment/Condo Large
Approximate Square Footage		1800	1200		
Annual Load (ADTh)		123	108	59	83
	Service Footage	Service Footage	Service Footage	Service Footage	Service Footage
	Service Line Only	81	69	22	48
	Main Footage	Service Footage	Service Footage	Service Footage	Service Footage
	10	60	48	N/A	28
	15	51	39	N/A	18
	20	41	29	N/A	7
	25	31	19	N/A	N/A
	30	21	9	N/A	N/A
	35	11	N/A	N/A	N/A
	40	N/A	N/A	N/A	N/A
	45	N/A	N/A	N/A	N/A
	50	N/A	N/A	N/A	N/A
	55	N/A	N/A	N/A	N/A
	60	N/A	N/A	N/A	N/A
	65	N/A	N/A	N/A	N/A
	70	N/A	N/A	N/A	N/A

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 2 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY FOR RESIDENTIAL DEVELOPMENTS

When a developer, contractor, builder or other customer (“Developer”) proposing to construct a residential development or individual homes requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service (“Request”), this policy shall apply. This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company (“Company”).

1. Installation of Service Line

The Company will install a “Service Line,” which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer’s building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Developer may be required to pay a “Contribution in Aid of Construction (CIAC)” as described in Item 6 below.

2. Main Extension

The Company will install a “Main” if necessary, to provide natural gas distribution service. A Main includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Developer may be required to pay a CIAC, as described in Item 6 below.

3. System Reinforcement(s)

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer’s benefit.

4. Estimated Revenue

Before undertaking the construction of new facilities to serve the development, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, Gas Cost Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

5.1 Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

5.2 System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

5.3 Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Developer Obligations

The Developer will be responsible for removal of ledge, trenching and backfilling in accordance with the Company's construction standards. In addition, the Developer will be responsible for:

- i. providing, prior to the start of the Company's construction, all applicable documents required for the Company to prepare design drawings and easements for its facilities to be installed on private property;

SERVICE AND MAIN EXTENSION POLICIES

- ii. supplying copies of all invoices, when requested, indicating manufacturer and part number for all such equipment listed/referred to above; equipment that is not approved shall not be used without the prior written consent of the Company; and
- iii. turning over ownership of the local gas distribution system to the Company upon inspection and acceptance of such system by the Company.

7. Developer Payments

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Developer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Developer prior to project implementation. Cost to the Developer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering study. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Developer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

SERVICE AND MAIN EXTENSION POLICIES

i. Per Foot Basis

In instances where the Developer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Developer has paid a CIAC, once installation is complete and the actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000 or (b) 10% of the engineering estimate, the Company will recalculate the Developer's CIAC based on actual cost and refund to the customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Developer actually paid.

8. More Than One Customer

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. Customer Added After Initial Construction

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. Developer Provides Plans and Documentation

The total number of house lots proposed to be constructed ("House Lots") will be provided in advance to the Company by the Developer (prior to the Company building the distribution line), along with an electronic copy (in a format acceptable to the Company) of the subdivision plan approved by the planning board in the applicable community.

The Company may require the Developer to provide, in advance, the following:

SERVICE AND MAIN EXTENSION POLICIES

- (A) a copy of the approval of the planning board for the subdivision;
- (B) a copy of all permits and approvals that have been obtained for constructing the development;
- (C) the name and address of the bank or credit union providing financing for the development, including a contact person and phone number;
- (D) a schedule or Developer's best estimate for the construction of homes in the development; and
- (E) if requested by the Company, such other reasonable information that may be required to confirm the viability of the development.

11. Building the Distribution Line in Segments

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

12. Gas Service Agreement

The Company will require the Developer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the development, provided that such terms are not inconsistent with the terms expressed in this policy.

13. Seasonal limitations on Underground Construction

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

14. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Developer to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Developer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Developer's

SERVICE AND MAIN EXTENSION POLICIES

installation, the Developer will be responsible for obtaining all third party rights or crossings at the Developer's expense.

SERVICE AND MAIN EXTENSION POLICIES

THE NARRAGANSETT ELECTRIC COMPANY POLICY 3 NATURAL GAS SERVICE AND MAIN EXTENSION POLICY

FOR COMMERCIAL, INDUSTRIAL AND EXISTING RESIDENTIAL CUSTOMERS

The terms of this policy shall apply when a commercial, industrial or non-residential (a real estate development which is not an approved subdivision of single-family homes) customer ("Customer") requests installation of a new service or a relocation of or upgrade to an existing service for the purpose of receiving natural gas service ("Request"). This policy applies to the installation and relocation of natural gas facilities by The Narragansett Electric Company ("Company").

1. **Installation of Service Line**

The Company will install a "Service Line," which may include, but is not limited to: piping, associated metering, and pressure reducing appurtenances, that transports gas below grade to the first accessible fitting of a Customer's building. The location of the service line, the metering equipment, and the service entrance shall be designated by the Company in accordance with Rhode Island law and accepted industry practices. The Customer may be required to pay a "Contribution in Aid of Construction (CIAC)" as described below.

2. **Main Extension**

The Company will install a "Main," if necessary, to provide natural gas distribution service. A "Main" includes, but is not limited to, a pipeline owned by the Company located on a public and/or private right-of-way which is available or used to transport gas to one or more Service Lines. The Customer may be required to pay a CIAC, as described below.

3. **System Reinforcement(s)**

System Reinforcements such as new main or main replacements (increased pipe-size) may be installed when the Company deems such to be necessary to provide adequate service. The Company reserves the right to recover costs for system reinforcements that are designed solely for the Customer's benefit.

4. **Estimated Revenue**

Before undertaking the construction of new facilities to serve the Customer, the Company will estimate the annual incremental revenue to be derived by the Company under the local distribution service rates from the installation of the new facilities. Any revenue from the

SERVICE AND MAIN EXTENSION POLICIES

Distribution Adjustment Clause factors, Cost of Gas Recovery factors, and Energy Efficiency Charges shall be excluded from this calculation.

5. Estimated Expenditures

a. Service Line and Main Extension

Service line and main extension installation costs are estimated based on the pipe size, pipe composition, pipe length, and estimated trenching cost.

Plastic piping of diameter 8 inches or less will be estimated on a per foot basis, coupled with a call out fee, absent extenuating circumstances. Costs associated with service line and main extension piping of diameter larger than 8 inches or composition other than plastic will be estimated using an engineering estimate.

b. System Reinforcements

System reinforcement costs will be estimated using an engineering estimate.

c. Extenuating Circumstances

Projects with extenuating circumstances will be estimated using an engineering estimate.

Examples of extenuating circumstances include but are not limited to: excessive ledge, bridge and railroad crossings, DEM permits and permit restrictions, state roads, restoration requirements, state road permits and any additional municipal requirements, concrete base roadways, new roadways or newly paved roadways and unusual landscaping, culverts or upgrading of an existing service for added load.

6. Customer Obligations

The Customer, at no cost to the Company, will be responsible for blasting and tree trimming and removal on private property, including roadways not accepted as public ways by the municipality, in accordance with the Company's specifications and subject to the Company's inspection.

7. Customer Payments

SERVICE AND MAIN EXTENSION POLICIES

a. Contribution in Aid of Construction

Whenever the estimated expenditures necessary to supply gas to the Customer, or for relocation or upgrade of Company equipment for reasons other than the needs of the Company, shall be such an amount that the estimated revenue derived from gas service at the applicable rates will be insufficient to warrant such expenditures, the Company will require the Customer to pay the whole or part of such expenditures. The Company will use a cash flow and a net present value (NPV analysis) to determine the appropriate customer contribution, referred to as CIAC, which includes a tax contribution factor based on the value of the donated property and/or any such cash contribution. The resulting CIAC represents the amount that is owed to the Company from the Customer(s) prior to project implementation. Cost to the Customer will vary depending upon job scope, and will be provided during the application process, once job specifications have been determined.

b. Additional Payment

When, in the Company's opinion, significant engineering is required to determine the method of service or prepare construction estimates, the Company will estimate the cost of such engineering. The Company may charge the Customer this cost before engineering begins. If construction is undertaken, this payment will be applied to any required CIAC. If no CIAC is required, the entire additional advance payment will be refunded. If construction is not undertaken, the Company will retain the appropriate portion of this additional advanced payment as reimbursement of costs incurred by the Company, and if any amount remains, will refund the remaining balance to the Customer.

c. Reconciliation

Whenever the Company collects a CIAC, the Customer has the option to request a reconciliation in accordance with the following:

i. Per Foot Basis

In instances where the Customer has paid a CIAC derived using per foot rates, and the final actual footage for the project exceeds 125 feet; then, the Company will calculate the difference between the estimated and actual feet times the per foot cost. The resultant difference will be refunded to the Customer, if the difference between the final actual and estimated footage is in excess of 25 feet.

ii. Engineering Estimate Basis

In instances where the estimated expenditure was derived using an engineering estimate and the Customer has paid a CIAC, once installation is complete and the

SERVICE AND MAIN EXTENSION POLICIES

actual expenditures determined, the Company will determine the difference between the engineering estimate and the actual cost of installation. If the difference exceeds the greater of (a) \$1,000, or (b) 10% of the engineering estimate, the Company will recalculate the Customer's CIAC based on actual cost and refund to the Customer the difference between the initial CIAC and the lower recalculated CIAC. In no case shall the reconciliation result in additional payments from the Customer, nor will the Company refund more than the Customer actually paid.

8. **More Than One Customer**

When natural gas service is requested by more than one Customer for the same main extension line, the CIAC will be reasonably allocated among those Customers.

9. **Customer Added After Initial Construction**

If a new Customer (or group of Customers) is supplied from facilities constructed under this policy, and if such service begins within five (5) years from the date of the first payment received by the Company from the original Customer or group of Customers, the Company will recalculate the charges associated with installation of the main extension and adjust charges or initiate refunds as appropriate.

10. **Building the Distribution Line in Segments**

The Company may, in its own discretion, construct the distribution in segments, rather than all at once in the proposed development.

11. **Gas Service Agreement**

The Company will require the Customer to sign a gas service agreement setting forth the terms of this policy and any other terms that the Company deems are reasonably necessary in connection with the installation, relocation, and/or upgrade of natural gas distribution line(s) to the Customer's property, provided that such terms are not inconsistent with the terms expressed in this policy.

12. **Seasonal limitations on Underground Construction**

The Company may decline, in its sole discretion, to install any underground facilities due to weather or other seasonal concerns.

SERVICE AND MAIN EXTENSION POLICIES

13. Easements

If necessary in the Company's determination, the Company will, as a condition on the installation of the service, require the Customer(s) to provide the Company with an executed easement (drafted by the Company) for all facilities located on private property. The Customer will provide the easement prior to the start of the Company's construction and at no cost to the Company. In the event that third party rights are required for the Customer's installation, the Customer will be responsible for obtaining all third party rights or crossings at the Customer's expense.