

Thomas G. Robinson
Deputy General Counsel

May 27, 2004

VIA HAND DELIVERY & ELECTRONIC MAIL

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

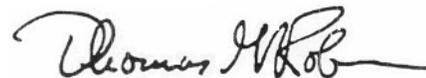
**Re: Implementation of the ISO-NE's 2004 Load Response Program and
Narragansett Electric's Proposed 2004 Summer Load Relief Program**

Dear Ms. Massaro:

Enclosed please find ten copies of the Report of The Narragansett Electric Company's ("Narragansett Electric" or the "Company") implementation of the Independent System Operator of New England's ("ISO-NE") 2004 Load Response Program and the Company's Proposed 2004 Summer Load Relief Program, a targeted demand response program for the Warwick area. With regard to the ISO-NE's Load Response Program, the Company is not requesting any action from the Commission in order to implement the options under this program, as they are essentially the same programs as implemented last year. The Company kindly seeks approval, however, of its proposed 2004 Summer Load Relief Program contained in this filing. The Company describes the programs in detail in the attached Report.

Narragansett Electric looks forward to working with customers in implementing these load response programs. Thank you very much for your time and attention to the filing. Please do not hesitate to contact me with any questions concerning these programs.

Very truly yours,



Thomas G. Robinson

cc: Paul Roberti
Steve Scialabba

Narragansett Electric Company

Implementation of:

ISO-NE's 2004 Load
Response Program
and
Narragansett Electric
Company's Proposed
2004 Summer Load Relief
Program

May 2004

Submitted to:
Rhode Island Public Utilities Commission

Submitted by:

Narragansett Electric

A **National Grid** Company



ISO-NE 2004 Load Response Program

Narragansett Electric Company (“Narragansett Electric” or “Company”) is preparing to implement the Independent System Operator of New England’s (“ISO-NE”) load response program for 2004 (“2004 LRP”). This program is available to all of the Company’s eligible customers, including those who are served by competitive suppliers. The Company again will focus on the programs that were available in 2003 and 2002. Specifically, the Company will be facilitating (1) the Real-Time Demand Response Program, which has two options; and (2) the Real-Time Price Response Program, which has three options. Customers who are capable of reducing their load by a minimum of 100 kilowatts (“kW”) of demand are eligible. A customer can fulfill this eligibility through participating with a single account or through participation of a group of no more than five accounts (for the same customer) in the same ISO-NE reliability region. The program options and changes are summarized below.

The only change made by ISO-NE in its 2004 LRP is in the calculation of the customer’s baseline load prior to curtailment. In prior years’ programs, the customer’s baseline load was based on the preceding 10 weekdays. For its 2004 LRP, ISO-NE has shortened the period over which the customer’s baseline load is calculated from 10 weekdays to 5 weekdays (excluding holidays and event days). The Company has reflected this change in all of the customer agreements submitted in this filing.

Real-Time Demand Response Program

The Real-Time Demand Response Program (“DRP”) is designed for customers that have the ability to reduce their demand upon notice from ISO-NE that certain emergency conditions exist on the system. As with the ISO-NE’s 2003 DRP, customers may choose to have thirty minute advance notice or a two hour advance notice of an interruption. ISO-NE will notify participants in the DRP of a mandatory interruption when a specific action of NEPOOL Operating Procedure No. 4 – Action during a Capacity Deficiency (“OP4”) is called, either for their reliability region or for New England as a whole. Customers participating in the thirty minute option who have back-up or emergency generation will be activated at Action 12 of OP4. Customers participating in the thirty minute option who will be reducing load and not using back-up or emergency generation will be activated at Action 9 of OP4. Customers enrolled in the two hour option will be activated at Action 3 of OP4.

DRP customers will be compensated through (1) an installed capability (“ICAP”) credit and (2) an energy payment based on actual reductions when called. The monthly ICAP credit is based on the customer’s committed kW reduction amount and the level of ICAP credit revenue received by the Company in the month. The energy payment is calculated based the customer’s performance amount and the Locational Marginal Price (“LMP”) for the reliability region. Customers participating in the thirty minute option will receive the higher of the actual LMP or \$500 per megawatt-hour (“MWh”). Customers participating in the two hour option will receive the higher of the actual LMP or \$350 per MWh.

If the customer does not fully comply with a request for interruption, the customer forfeits the monthly ICAP credit and the Company will calculate future monthly ICAP credits based on the actual load reduction achieved on the day of non-compliance. For example, if a customer's performance is only half of what was promised, the monthly credit will be reduced by half going forward. Similarly, if the customer fails to perform at all, the customer will not be eligible for any more monthly credits.

Under the DRP, participating customers must use special hardware and software. The Company will require all DRP customers to use the equipment, software, and services of RETX, Inc., Narragansett. Electric's Internet-Based Communication System vendor for participation in the 2002 LRP and 2003 LRP. There will be a monthly software fee of \$100 per month. ISO-NE will continue to subsidize the equipment and installation cost (up to \$2,200, which is ISO-NE's estimate of the average equipment and installation cost for this program) for the first 1,000 participants enrolled in the program since its inception date of June 2000. In addition, ISO-NE will also contribute \$100 per month towards the monthly software fee for the first 1,000 participants since program inception in June 2000 who commit to reduce 300 kW or more.

Real-Time Price Response Program

Unlike the Real-Time Demand Response Program, which is targeted to hours when certain emergency conditions exist on the system, the Real-Time Price Response Program ("PRP") is purely a voluntary economic program that provides the opportunity for participating customers to take advantage of high energy market prices when ISO-NE forecasts a LMP of \$100 per MWh or more. ISO-NE is offering the same three options under its PRP as it offered last year -- the "high tech" option, "low tech" option, and the "super low tech" option. Participating customers can choose the appropriate option for their needs, as each option requires different metering equipment and software arrangements.

The 2004 "high-tech" option will operate the same way that it did in 2003. Customers participating in the high-tech option must use the same special hardware and software as the DRP customers' use. ISO-NE will subsidize 50% of the cost of the equipment and installation for the first 1,000 customers enrolled in the program since its inception date of June 2000, up to \$1,100. Unlike the DRP, however, customers participating in the "high tech" option of the PRP must pay the associated \$100 monthly software fee. These customers can monitor the hourly LMP of electricity on the applicable days and make a voluntary decision to reduce their load and earn the LMP for the interruption.

The "low tech" option will also operate the same in 2004 as in 2003. Participating customers must have telemetering, which will allow for the customer's fifteen (15) minute load interval data to be read and forwarded daily to ISO-NE.

The "super low-tech" option will allow customers that currently have hourly metering in place to participate. The Company will continue to read the meter on its normal cycle and report the load data to ISO-NE on a monthly basis. Because the cost of monthly reporting to ISO-NE is minimal, the Company is not proposing to charge customers for this service.

Under all three PRP options, ISO-NE will calculate a daily baseline load for each participating customer, compare the baseline load to the customer's actual load during the curtailment period, and give the customer a credit based on the difference between the baseline load and the actual load times the greater of the actual hourly LMP for his reliability region of \$100/MWh for every hour of curtailed load.

Customer Outreach

Narragansett Electric intends to provide information on the 2004 LRP to all of its commercial and industrial customers with loads of 200 kW or greater, as well as to several targeted accounts under 200 kW (i.e. national accounts). The Company will first approach customers that participated in the 2003 load response programs. In the meantime, customers that were enrolled in the 2003 load response programs will be asked to sign a new customer agreement for the 2004 LRP, as there have been slight changes to the terms of the agreements.

Other Process Changes

The customer agreement for the "high tech" PRP contains the option for the participating customer to provide access to the Internet through a wireless communication service. The Company has found instances whereby eligible customers are not able to provide Internet access through a LAN or dedicated phone line, due to the location of their meter. A wireless communication service will provide those customers who cannot otherwise take advantage of the program because of the inability to use a LAN or dedicated phone line with the ability to participate. The Company will arrange for the service and shall pass the actual cost of the service on to the participating customer.

In order to improve the efficiency of the implementation of the 2004 LRP, the Company has made a handful of revisions to the customer agreements for this program year. First, the Company has limited the number of accounts that the same customer can enroll in any one of the program options to five accounts. This change is intended to acknowledge that the minimum curtailment of 100 kW may be difficult to allocate to a group of several accounts for the same customer, and it is likely that observing the curtailment across several meters is difficult in order to quantify the amount of curtailed load. Limiting the quantity of accounts contained in the group helps ensure the identification of curtailed load. Second, the Company has changed the number of days after which it will credit a participating customer's account for credits received from ISO-NE from 90 days to 120 days. This change is intended to allow for any adjustments to the credits provided to participating customers as a result of ISO-NE's settlement process. The Company has found that 90 days is too short a time to capture ISO-NE's final settlement of load, and the Company needed to make adjustments to credits provided to participating customers once ISO-NE finalized its settlement. This revision affects all customer agreements.

Program Implementation

Narragansett Electric will implement these programs by executing agreements with customers, as in prior program years. The customer agreements that will be executed for the DRP and the "high tech" option of the PRP will remain in effect until

October 31, 2004 (consistent with the Company's arrangement with RETX). The customer agreements that will be executed for the "low tech" option and "super low tech" option of the PRP will remain in effect until February 28, 2006 (ISO-NE's program termination date).

According to ISO-NE's program rules, customers may participate in one program only, as long as they meet the eligibility criteria. However, under special metering configurations, ISO-NE may waive this rule and allow specific customers the ability to participate in more than one of its programs.

Attachment 1 to this filing contains the DRP customer agreement for the thirty minute option. Attachment 2 contains the DRP customer agreement for the two hour option. Attachment 3 contains the customer agreement for the PRP high tech option. Attachment 4 contains the customer agreement for the PRP low tech option. Attachment 5 contains the customer agreement for the super low tech option.

2004 Summer Load Relief Program

As part of this filing the Company is proposing to implement a 2004 Summer Load Relief Program (“Load Relief Program” or “Program”). The Company’s Load Relief Program is a temporary program that would use load curtailment as a means to reduce distribution capacity requirements during peak periods and thereby provide load relief in the event the Company’s proposed new substation being constructed off Kilvert Street in Warwick does not meet its expected in service date of June 1, 2004. The Company believes that this Program will provide valuable information on the feasibility of using a demand response program in a localized area to reduce load during peak periods, thereby preventing a potential overload condition if the load in the area is substantially higher than estimated during peak hours this summer.

As we have seen over the past several years, load has continued to grow throughout New England. Load growth not only has an impact on generation and transmission capacity, but also on the capacity of the distribution system. Because load growth rates throughout Narragansett Electric’s service territory vary, the Company continually assesses the capacity of its distribution system at a local level to ensure that expected load growth can be satisfied. Based upon this assessment, the Company determines whether existing distribution capacity will be sufficient or whether local capital investment will be required to serve the increased load in the area. In addition, once the decision has been made to undertake a new capital investment like the new substation off Kilvert Street in Warwick, other unforeseen delays may prevent it from meeting its requested in-service dates (for example weather-related delays, abutter concerns). By providing the means for customers in the area to actively manage their loads, the Company is attempting to take advantage of another tool to meet unexpected peak loads in this area.

1. Description of the Load Relief Program

The Company has identified the area that is fed from the Pontiac Avenue, Cranston, and Lincoln Avenue, Warwick substations for this Load Relief Program. This is an area in its service territory where there is a sufficient number of large customers who have the ability to shed load in a manner that may help the Company meet unexpected peak load in the area prior to completion of the substation’s construction or resulting from delays in the substation’s construction. Specifically, the Program is designed for retail delivery service customers that:

- a. are served by either the Pontiac Ave, Cranston, or Lincoln Ave, Warwick substations;
- b. have a minimum monthly billing demand of 200 kilowatts; and
- c. can curtail load by at least 50 kilowatts.

Eligible customers would sign a service agreement agreeing to curtail their load for a specified number of interruption hours during the day after being notified by Narragansett Electric of the need for interruption.¹ In return, Narragansett Electric will pay these

¹ Properly permitted customer-owned generation would be allowed to qualify for pilot program credits, provided that the customer verifies they are in compliance with all local air quality permits.

customers based upon the amount of load curtailed in each hour of the interruption multiplied by the payment per kWh curtailment of \$0.50 per kWh. The payments, provided to customers in the form of a bill credit, are an expense of the program and would be treated as any other operating expense of the Company. The Company has attached the Service Agreement to this Program as Attachment 6.

2. Why this Area Was Selected for the Program

The proposed new Kilvert Street substation is designed to provide additional capacity for the Company's customers in the general Cranston / Warwick areas. The two existing substations located at Pontiac Avenue in Cranston and Lincoln Avenue in Warwick, will be off-loaded (i.e., load at the substations will be reduced) by the addition of the new substation. The new substation's design should meet the needs of the area for a projected 10-year period based on the area's historical load growth.

There are a number of design elements that facilitate the development of a load curtailment program in a specific area that explain why the Company selected the Cranston/Warwick area. The first element is a capacity shortfall on a particular distribution system segment over the course of the project. Due to the nature of distribution system planning and the lead time for construction projects to be planned and completed, the Company believes it appropriate to select an area which is not in imminent danger of insufficient capacity even without the new substation for the summer of 2004, but in the event of delays or extraordinary weather, could become overloaded.

A second element in designing the program is the amount of time the estimated capacity shortfall would exist. If the capacity shortfall requires many hours of interruption to manage properly, customers may not participate enough to provide the needed load relief. However, if the shortfall can be identified to a limited number of days and a limited number of peak load hours during those days, then a load curtailment program may provide the necessary load relief if needed, and typically in New England, heat waves are limited to just a few weeks.

The third component is to determine if the existing population of large accounts could provide the necessary load relief. Based on the results of Narragansett Electric's sister company, Massachusetts Electric Company, in its Targeted Demand Response Program (also known as the Brockton Pilot), Narragansett Electric anticipates enrolling approximately forty percent (40%) of the eligible customers in the area, that could shed 8% of their total load when called upon. In this selected area, there are 53 large customers that represent approximately 30,000 kW of load. Using the percentages above, the Company anticipates enrolling 20-25 customers, and targeting 1,000 to 2,000 kW of load relief, if necessary.

Finally, the fourth component is the willingness of customers to modify their electrical loads and to evaluate the amount of financial incentive required to induce this modification. According to a recent E-Source report 'Making Peak Load Management Work for the Mid-market Industrial' and the results of the Brockton Pilot noted above, a payment of at least \$0.50 per kWh appears to be the minimum value for successful projects.

3. Details of the Program

The following describes the details of the Load Relief Program.

(i) Measurement of Participating Customer's Load Curtailment

The customer's load curtailment will be based on hourly metered kilowatt data as measured by the Company's metering equipment. The Company will compare actual kilowatt metered load data during each hour of interruption against an expected level of kilowatt load during those same hours, assuming no interruption. The difference between these two values would equal the customer's load curtailment.

(ii) Determination of Expected Level of Kilowatt Load

This calculation is provided as Appendix B in the attached Service Agreement (Attachment 6 to this Report). In Step 1, for each hour of the interruption and the hour that is two hours prior to the interruption, the Company will obtain the customer's kilowatt metered data occurring during the five business days (excluding holidays, shutdowns, and days on which interruptions were called) prior to the day of the interruption. This is the customer's baseline load for these hours. Step 2 entails obtaining kilowatt metered data for the customer during the hour that is two hours prior to the interruption. This is the customer's actual load requirement immediately prior to the interruption.

The baseline load in Step 1 for the hours of interruption, which reflects a five-day average, must be adjusted for the customer's actual load on the day of interruption. This is done in Step 3 by comparing the baseline load for the hour that is two hours prior to the interruption against the actual load for the hour that is two hours prior to the interruption. This comparison will show if the baseline load is representative of the customer's current actual load. The difference between these two values, either positive or negative, represents the adjustment value. Step 4 adds this adjustment value to the baseline load for each hour during the interruption, and the expected load for each hour is the result.

Step 5 requires obtaining kilowatt metered data for the customer during the each hour of the interruption. This is the customer's actual load requirement during the interruption. The final calculation, performed in Step 6, takes the difference between the expected load calculated in Step 4 and the actual load in Step 5. This calculation results in the customer's reduction in load during the interruption.

(iii) Calculation of Credit

Hourly reductions in load as a result of a call for curtailment would receive a \$0.50 per kWh credit. Therefore, as can be shown at the bottom of the analysis provided in Appendix B of Attachment 6, the applicable credit for the two hours would be \$212 (\$105 for the first hour and \$107 for the second hour). The Company will make this payment to the customer bill within 60 days of the interruption.

(iv) Calling for a Curtailment

The Company asks the customer to provide a primary and secondary contact person and his/her contact information so that the Company has two individuals to reach at the customer's location. The Company will send a message to an e-mail addressable pager, wireless telephone, or a standard phone call along with follow-up notification via e-mail at least 30 minutes prior to the requested interruption start time. The Company is also requesting that the customer provide a return notification either through a telephone call or e-mail to identify to the Company that the customer will be participating in the upcoming interruption.

(v) Term of the Program

The Company is planning the term of the Program to be for the period June 1, 2004 through September 30, 2004.

(vi) Equipment Replacement

In areas where there is sufficient Skytel paging network coverage, Narragansett Electric may replace the existing revenue meter with one that has real-time capabilities. This will provide both the Company and the customer with real-time load data to determine compliance with a load shed event, if called. The Company will cover the costs for this metering for the term of the agreement.

(vii) Assistance to Participating Customers

The Company will provide a load shed audit to help educate customers in managing their electrical loads. In the past, load shedding or demand response was discussed in reference to the existing ISO-NE programs with customers, but few would enroll in these programs due to the uncertainty of understanding the impact of shedding load on their internal processes. It has become clear that customers need to understand the costs and benefits of demand response as they relate to their own operations. The load shed audit is a new concept the Company believes will provide the customer with clear directions about how much load to shed as well as at what price point they could power down various pieces of equipment within their facility that could result in the best economic advantage.

(viii) Relation to ISO-NE Programs

When a customer signs up for the Load Relief Program, the Company will enroll the customer in the ISO-NE Price Response Program via the High Tech option (or real time meter feed) to allow the customer to take advantage of the metering opportunities and credits available in that program as well. The Company will cover any costs incurred as a result of a customer's participation in the ISO-NE program for the term of the agreement.

4. Narragansett Electric Tariff Page

Narragansett Electric is submitting a proposed tariff page to provide for the Load Relief Program as Attachment 7. Narragansett Electric respectfully requests approval of this Load Relief Program and associated tariff page.

Attachment 1

ISO-NE Demand Response Program

30 Minute Option



Load Response Program Agreement Real-Time Demand Response Program – 30 Minute Notice

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into between Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose Street, Providence, RI 02907 and _____ (“*Customer*”) who has an electric account(s) with Company at the address(es) and account(s) specified below:

Account #(s): _____

Customer’s total “*Committed kW Reduction*” (kW available for interruption at above account(s)) under this Agreement is:

_____ kW

1. Program Summary

Through the Company, the Independent System Operator – New England (“*ISO-NE*”) is offering a Real-Time Demand Response Program (“*Demand Response Program*” or “*Program*”) in order to ensure reliability when capacity is tight on the electric grid, particularly during the summer months. For this Program, the Company has selected RETX (“*RETX*”) as the equipment and software vendor. Participating customers will be equipped with an internet based communications system developed and installed by RETX, enabling customers to monitor their load and electricity prices and receive requests for load reduction at their facility.

During the term of this Agreement, Customer commits to mandatory energy use reductions on a 30-minute notice from ISO-NE. Customer receives payments for participating in the Program and receives additional payments for the energy actually saved when requested by ISO-NE to curtail.

2. Customer Eligibility

The Demand Response Program is available only to customers who meet all of the following criteria:

- (1) have a demand of 10 kW or greater;
- (2) are capable of curtailing a minimum of :
 - i. 100 kW for an individual account, or
 - ii. a minimum of 100 kW for a group of no more than five accounts of the same customer in the same ISO-NE load zone;
- (3) are available for interruption between 7 am and 6 pm on all non-holiday weekdays;
- (4) have hourly load metering in place; and
- (5) are not operating under a load curtailment program of a supplier or other party as of June 1, 2004.

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement.

3. Equipment and Software

(a) Installation Requirements

In order to participate in the Demand Response Program, Customer agrees to become connected to the RETX Internet based communication system. To become connected, Customer will provide and pay for the following (as outlined in Appendix A):

- (1) 120 volt power source at the meter site;
- (2) Access to the Internet at the meter site– either via access to a Local Area Network (LAN) or through a dedicated phone line and ISP account; and
- (3) Access to meter pulses – via the installation of a Pulse Interface Device by Company (through the Company’s Optional Enhanced Metering Service Option 2 – R.I.P.U.C. No. 1155.)

In addition to the above, Customer must permit RETX to install a data recorder box (“*the Equipment*”) at the meter site and download specific software that will record the meter pulses and translate the data into the RETX software package (“*RETX Products*”).

Customer must provide facility and installation information as requested in Appendix A in order for Equipment to be installed by RETX.

(b) Ownership of Metering Equipment / Risk of Loss / Cost of Metering Equipment

At the time the Equipment is installed at Customer’s premises, Company transfers to Customer all of its right, title and interest in the Equipment granted by RETX. RETX has warranted to Company that it shall take all action necessary to ensure that all Equipment is delivered to Customer with good, clear and marketable title, free from any liens, encumbrances and claims of any kind. Title and risk of loss to the Equipment furnished hereunder shall pass to Customer upon installation at Customer’s premises. After installation, Customer assumes and shall bear all risk of loss or damage to or caused by the Equipment, except for loss or damage caused by RETX’s negligence or intentional acts; during the Agreement Term, Customer agrees

it is responsible for replacing any Equipment lost or damaged due to casualty, except for loss or damage caused by RETX's and/or any of its subcontractors negligence or intentional acts.

The ISO-NE has agreed to fund the cost of the Equipment for the first 1,000 Customers enrolled in the Program from its inception (June 1, 2000), up to a maximum of \$2,500 per meter installation. Customer agrees to pay any costs (based on time and material) that exceed that amount. In the event Customer does not participate in the Real-Time Demand Response Program through October 31, 2004 (the "*Agreement Term*"), Customer is responsible for repayment to Company of any installation costs originally funded by ISO-NE.

(c) **Equipment Terms and Conditions**

(i) **Relocation and Protection of Equipment.**

During the Agreement Term, Customer will not relocate the Equipment within the premises or to another location without Company's prior written consent, which shall not be unreasonably withheld.

(ii) **Use of Equipment.**

During the Agreement Term, Customer shall use the Equipment in accordance with ISO-NE requirements for the purpose of participation in load response programs in which they are enrolled and for energy usage information purposes. Customer will notify RETX if installed Equipment is reconfigured, changed or altered from its original configuration. This includes any unforeseen changes in network configuration on the Customer's internal network that conflicts with the existing installed metering equipment settings (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) that will thus render the metering equipment inoperable. In cases where dial-up accounts are being utilized, any changes to ISP infrastructure (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) will also cause the Equipment to become inoperable. RETX will not be responsible for loss of data or any subsequent losses from non-performance during ISO-NE sponsored load response events if the installed Equipment is reconfigured, change or altered from its original configuration without notifying RETX of such changes. Any corrections required to the Equipment due to Customer's network configuration will be completed at the Professional Services rates as set forth in Exhibit C.

(iii) **Maintenance and Repair by Retx.**

During the Agreement Term, Customer shall not permit anyone to deface, injure, or remove any plate, date, number, or other inscription now or hereafter attached to or imprinted on the Equipment by RETX. Customer shall maintain the Equipment in their possession in good operating condition. Customer shall promptly notify Company (who shall promptly notify RETX) of any operating deficiencies involving the Equipment and RETX will use commercially reasonable efforts to repair or replace promptly any defective Equipment. RETX has no obligation to repair or maintain any Equipment if (a) Customer has used the Equipment for any purpose other than in accordance with the terms of this Agreement, including, without limitation, by or for any person other than Customer; and/or (b) Customer has altered any of the Equipment or Network configuration or ISP infrastructure without RETX's prior written consent.

(iv) Access.

Customer shall provide RETX and/or its system support contractors with full, safe, and free access to the Customer's premises and the Equipment during normal business hours for the installation, adjustment, maintenance, or repair of the Equipment, at mutually acceptable times subject to acceptable insurance as maintained by RETX, or its subcontractors or agents, for such installation work according to state and local regulations.

(v) Pass-thru Warranty; Limitation of Damages.

RETX will assign to Company, and effective the time of installation of such Equipment by RETX at Customer's facility, Company assigns to Customer, any and all assignable end user warranties for the Equipment from the manufacturers thereof. HOWEVER, THE EQUIPMENT IS BEING SOLD BY RETX "AS IS", AND RETX HAS MADE NO EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Notwithstanding the foregoing, however, nothing shall limit the liability of RETX for death or personal injury caused by the negligence of RETX's employees, agents, or representatives.

(d) License for Use of RETX Services

RETX has granted to Company, who in turn grants to Customer a limited, nontransferable, nonexclusive right and license: (i) to use the RETX Services; (ii) to access the functionality of the RETX Products via an Internet browser specified in the RETX Documentation for use by Customer as necessary to receive RETX Services; and (iii) to use the RETX Documentation in connection with the licensed use of the RETX Products by Customer.

(i) Warranties

RETX has warranted that it has acquired all rights necessary to grant the licenses set forth above. RETX has additionally warranted that the RETX Services will substantially conform in all material respects with the RETX Documentation when properly used as set forth in the RETX Documentation. For a period of sixty (60) days from provision of any services, RETX warrants that the RETX Services shall: (i) be performed in a workmanlike manner and (ii) materially comply with any specifications agreed upon in writing by the parties. Customer's sole remedy and RETX's sole liability under these warranties shall be to refund a pro rata portion of the fees payable under this Agreement, prorated based on the number of days (or portions thereof) that the RETX Services are affected. Customer acknowledges that RETX's performance of its obligations under this Agreement may be dependent upon one or more subcontractors.

(ii) No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit the RETX Services or otherwise permit the use of the RETX Services by or for any third party. Moreover, Customer shall not, directly or indirectly, and shall not allow third parties to (a) resell or in any way distribute, transfer or assign the licensed RETX

Products and associated RETX Services, (b) reproduce, copy, market, sell, distribute, lease, transfer, translate, modify, adapt, disassemble, decompile or reverse engineer the RETX Products, or (c) use the RETX Services or RETX Products in any outsourcing, service bureau, time sharing, or application service provider capacity.

(iii) Software Services Fee

Customer is responsible for paying a “*Software Services Fee*” of \$100 per meter/per month which enables Customer to use the RETX Products to monitor and track its electrical load, as well as receive and respond to ISO-NE requests for load reduction. Company will bill the Software Services Fee to Customer on a monthly basis.

Through the Company, the ISO-NE has agreed to fund the cost of the Software Services Fee for the first 1,000 customers enrolled in the Program from its inception (June 2000), that have a Committed kW Reduction amount of greater than or equal to 300 kW. Any Customer that meets this eligibility for the entire term of the Agreement will not be billed by the Company for the Software Services Fee. In the event Customer does not continue to meet the eligibility criteria or participate in the Real-Time Demand Response Program through the Agreement Term, Customer is responsible for repayment to Company for the Software Services Fee from that point forward, through October 31, 2004.

4. Procedure for Requests to Reduce Load

As a participant in the Demand Response Program, Customer will be notified of a mandatory interruption when a specific Action of NEPOOL Operating Procedure No. 4 - Action During A Capacity Deficiency (OP4) is called for either their load zone, or system wide. Customers who will be utilizing backup or emergency generation will be activated at Action 12. Customers will be reducing load, and not utilizing backup or emergency generation will be activated at Action 9. In either case, Customer is required to reduce its electric load within 30-minutes after being notified by the ISO-NE.

Customer shall provide a primary and secondary contact person’s name and information for notification by the ISO-NE of a mandatory load reduction on Appendix A. The RETX system will send a text message to an e-mail address and/or an e-mail addressable device (ie. pager or cell phone), notifying Customer when a Curtailment Event, as defined in the Program, is called. The notification message will be in substantially the same form as the following:

“This is ISO-NE. Curtail Demand Response loads in (**ZONE) or (**BLOCK) at (**TIME) on (**DATE). Estimated restore time is (**TIME) on (**DATE). Do not reconnect loads without official notice from ISO-NE.”

When the emergency conditions that existed on the system have been restored, Customer will be notified via a text message to an e-mail address and/or an e-mail addressable device (ie. pager or cell phone), notifying Customer to restore loads to normal levels. That notification message will be in substantially the same form as the following:

“This is ISO-NE. Restore Demand Response loads in (**ZONE) or (**BLOCK) at (**TIME) on (**DATE).”

The schedule for load reductions and the cessation of load reductions will be coordinated by the procedures of the ISO-NE. Company does not have control over the timing of a load reduction request and the length of each load reduction period.

5. Customer Baseline, Performance Measurement and Compliance

The Customer Baseline (“CB”), as defined by ISO-NE, is the average hourly load, rounded to the nearest kWh, for each of the 24 hours in a day. The CB process does not begin until the registration process and meter data reporting requirements are complete. The CB used for computing performance for the Program shall consist of eligible weekdays (weekdays that are non-holidays and non-interruption days).

To calculate the Customer Baseline, the RETX software will take the previous 5 weekdays, except for exclusion days, ending the midnight prior to the Program event day to compute the simple average for each hour. The CB will be adjusted (up or down) to reflect actual usage for the two hours preceding the interruption. (See example in Appendix B.)

Performance for metering configurations that include load reduction is measured as the difference between the CB (adjusted) and the actual metered usage by hour during the event. The CB shall be shifted (adjusted) to align the CB with the actual metered usage for two hours preceding the interruption for the event. However, if there are consecutive event days, the Baseline Adjustment used on the first day will be applied to the CB for the second and subsequent consecutive days. For On-Site Generation, either the generator output as metered or a combined measurement of the site load and on-site generation as metered will be used for performance as defined below.

For Customer’s committing only the Load, performance for each shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing for On-Site Generation and metered at the generator, performance for each hour shall be calculated as:

$$Ph = OGH$$

Where: Ph = performance for the hour
OGH = Metered on-site generation output for the hour

For Customer’s subscribing for only On-Site Generation and metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing both On-Site Generation and the Load and participating in the same Program, performance for each hour shall be the net of On-Site Generation and Load as defined below:

Where On-Site Generation and Load are measured separately:

$$Ph = OGH = [CBh - AL]$$

Where On-Site Generation and Load are metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = Performance for the hour
OGh = Metered on-site generator output for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

6. Payments to Customer for Committed kW Reduction

Company will pay Customer the revenues it receives for the available capacity of generation resources of “ICAP” for the days and hours in which it is available and willing to interrupt. This credit initially will be based upon the Committed kW Reduction amount provided by the Customer in this Agreement and submitted to ISO-NE. The initial ICAP credit will remain in effect until the ISO-NE calls for a curtailment of the load. Following the curtailment, the ICAP credit will be adjusted to reflect the amount of load actually curtailed. The Adjusted Capability is the lesser of the Committed kW Reduction amount or the lowest actual amount interrupted during the calendar month. The Adjusted Capability will be used to establish the following month’s ICAP credit. In the scenario where there are two or more events in the same month, the lowest actual amount interrupted will be used in the subsequent ICAP month, and the last actual amount interrupted in the month will be used to establish the Adjusted Capability for the month following the subsequent month if an event is not initiated in the subsequent month. If an event is initiated in the subsequent month, the lowest actual amount interrupted in that month will be used to establish the Adjusted Capability in the month following the subsequent month.

Customer will receive a monthly amount equal to:

$$[(A/B) * C = \$ICAP]$$

Where:

\$ICAP = the ICAP credit revenues to be paid to Customer in one month

A = Customer’s ICAP credit for the month expressed in kW (based on Customer’s Committed kW Reduction amount) which shall equal the ICAP credit value accepted by ISO-NE for Customer.

B = Sum of ICAP credits, expressed in kW for all customer’s enrolled in Company’s program during the month.

C = Total ICAP credit revenues received by Company in the month, expressed in \$

The total amount of Committed kW Reduction will be provided by Customer and may only be changed with a 7-day notice to Company.

Customer will receive these monthly payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

7. Payments to Customer for Actual Interruptions

Customer also will receive compensation for any performed interruptions when requested by the ISO-NE. The “*Calculated Reduction*” will be determined by the RETX Products, by comparing the CB to the Customer’s actual load consumption during the interruption period.

For any requested and performed interruptions, Customer will receive an amount equal to the following for each hour of the interruption period:

[“Calculated Reduction (kWh)” * (Zonal Price)/1000]

Payments made to Customer for actual interruptions will be for the minimum of \$500/MWh or the actual zonal price, whichever is greater.

A minimum two hour call period will also apply for curtailment events with an Interruption Period less than two hours. Customer is guaranteed a payment for a minimum duration of 2 hours if it curtails its load by its Committed kW Reduction amount for that entire period.

Customer will receive their load reduction payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

If there is any disagreement regarding the Calculated Reduction, the ISO-NE’s final determination of how much load reduction from Customer’s facility was actually achieved for payments under its Load Curtailment Rules shall control, even if Customer or Company disagrees with such determination. In no case will Company credit Customer with more or less Calculated Reduction than what is recognized by ISO-NE for payments under its rules.

8. Penalty for Non-Performance

If Customer does not fully comply when an interruption request is made, Customer will be assessed a penalty for non-performance. In order to fully comply, Customer must reduce its electrical load within 30-minutes of being requested by the ISO-NE by their Committed kW reduction amount.

ISO-NE will assess a penalty for non-performance according to the following conditions:

Failure to Reduce Load: If Customer fails to reduce demand during a Load Response event it will lose its capability rating beginning with the start of the month during which the event was called or to the last actual interruption as defined by Adjusted Capability. In addition, going forward, Customer capability rating will remain at zero and they will no longer receive a monthly ICAP payment. However, if the Customer is able to fully comply with a subsequent event called by the ISO-NE for demand reduction, the Adjusted Capability will be reinstated in the following month and the payments will be reinstated as in the following month and is determined in accordance with the performance measurement criteria included in Section 5 of this Agreement.

Partial Reduction in Load: A Customer that is partially reduces demand during a Load Response event, but is unable to reduce by the full amount they agreed upon, will receive a reduced Adjusted Capability and a therefore a reduced ICAP monthly payment going forward. Those payments will now be based on the actual amount of kW load reduction they performed in that interruption. The Customer can return its capability rating and return its monthly payment back to being calculated with the original “Committed Reduction” amount by actually performing that total reduction when the next interruption is requested.

Customer shall **not** be penalized for exceeding its Committed Reduction amount when requested to interrupt by the ISO-NE.

9. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 31, 2004.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.
- (c) Customer must provide Company five (5) business days prior written notice of its intent to terminate this Agreement.
- (d) Customer must remain in the selected ISO-NE program for the period of one year.

10. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Lisa M. Morgera
Narragansett Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7236
Fax: 508-421-7246

If to Customer, to: _____

11. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, RETX PRODUCTS OR SERVICES, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE RETX PRODUCTS AND RETX SERVICES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT

LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY'S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

12. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party's reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

13. Confidentiality

The parties acknowledge that the RETX Services, RETX Products, and RETX Documentation contain trade secrets and confidential information ("*Proprietary Information*") of RETX. Customer acknowledges and agrees that the RETX Proprietary Information shall remain the sole and exclusive property of RETX. Customer shall not disclose the results of any performance tests or reports related to the RETX Services to any third party without RETX's prior written approval.

RETX has acknowledged to Company that the content provided by Customer for use in the database of the RETX Products ("*Customer Content*") contains confidential information. RETX has acknowledged to Company that the Customer Content shall remain the sole and exclusive property of Customer. Customer will notify and assist RETX in obtaining an appropriate protective order in the event of any regulatory or other governmentally required disclosure of RETX Proprietary Information.

Each party shall protect the Proprietary Information of the other party with the same degree of protection and care it uses to protect its own Proprietary Information of a similar nature and sensitivity, but in no event less than reasonable care.

14. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load. The decision to call upon Customer is solely within the discretion of the ISO-NE.

- (c) If Customer has been a participant in Company's Temporary Interruptible Program ("TIP") in 2000, such participation shall be terminated upon execution of this Agreement.
- (d) If Customer has been a participant in Company's Load Response Program in 2001, 2002 and/or 2003, such participation shall be terminated upon execution of this Agreement.
- (e) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (f) Customer authorizes Company to release Customer's load shape data or any other Customer information reasonably necessary for the administration of this Program to the ISO-NE, RETX, or any other party involved in the estimation of Customer's kWh reduction.
- (g) Company reserves the right to credit Customer's electric bill rather than send a check for payments under this Agreement.
- (h) In the event of a conflict between this Agreement and the Company's Terms and Conditions on file with the Commission from time to time, this Agreement shall control.
- (i) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

_____ Customer Name	Narragansett Electric Company
By: _____ (please sign)	By: _____ (please sign)
By: _____ (please print)	By: _____ (please print)
Title: _____	Title: _____
Date: _____	Date: _____



Load Response Customer Agreement Appendix A Customer Facility Survey and Device Requirements

Company / Facility Name: _____

Facility Address: _____

Hours of Operation: _____

Hours of Occupation: _____

NECO Account Manager: _____

ISO-NE Load Zone (found on NECO electric bill): _____

NX 11-C Number (to be provided by ISO-NE): _____

Contact Information:

Facility Contact Name:		Phone #:	
IT Contact (if different):		Phone #:	

Curtailment Contacts:

Primary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Secondary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Additional Name:		email address*:	
		Pager/Device*:	
		Phone #:	

* Email addressable pagers and devices are acceptable
(Note: System allows for more than 3 contacts if needed)

Meter Information:

Meter Number:	Asset ID#	Pulse Value

(Please circle and link meters above which will be combined to meet the contracted load requirements)

Facility Survey:

Location of existing revenue meter:	
Location for RETX Data Recorder:	
Requirements for all Installations:	
(**) Plywood mounting surface (with 2ft x 2ft of free space, if different, please specify below in Notes field):	Date Verified by RETX: ____/____/____
(**) Standard 3-prong 120V power supply on Site within 8 ft of RETX box:	Date Verified by RETX: ____/____/____
(**) KYZ Pulses brought from revenue meter to within 10 ft. of RETX box:	Date Verified by RETX: ____/____/____
Device Preference: LAN; Dial-up ISP; or Wireless (choose one):	
If Dial-up: RJ-11 jack within 10 ft:	Date Verified: ____/____/____
If LAN: RJ-45 jack within 10 ft:	Date Verified: ____/____/____
If wireless: Verizon Signal present	Date Verified: ____/____/____
Environment: Indoor or Outdoor	

(**) – Mandatory Fields – must be completed.

If preference is using the customer’s network, please provide the following:

Is DHCP Server Available	
IP Address for RETX Data Recorder	
Subnet for RETX Data Recorder	
SMTP Server Address	
Network Admin. Contact Name	
Contact’s Phone # and email address	

If preference is using 3rd party ISP (dial-up), please provide the following:

Name of ISP (Internet Service Provider)	
Phone Number for Customer Service	
Dial-up number for internet access	
User name/password	
Do we dial “9” or another number to get out of your phone system?	

Notes:

--

STANDARD RETX DATA RECORDER CONFIGURATION:



* Maximum total run of 500 feet for KYZ pulses from meter to RETX box.
**Maximum total run of 1,000 feet for LAN using CAT5 cable.

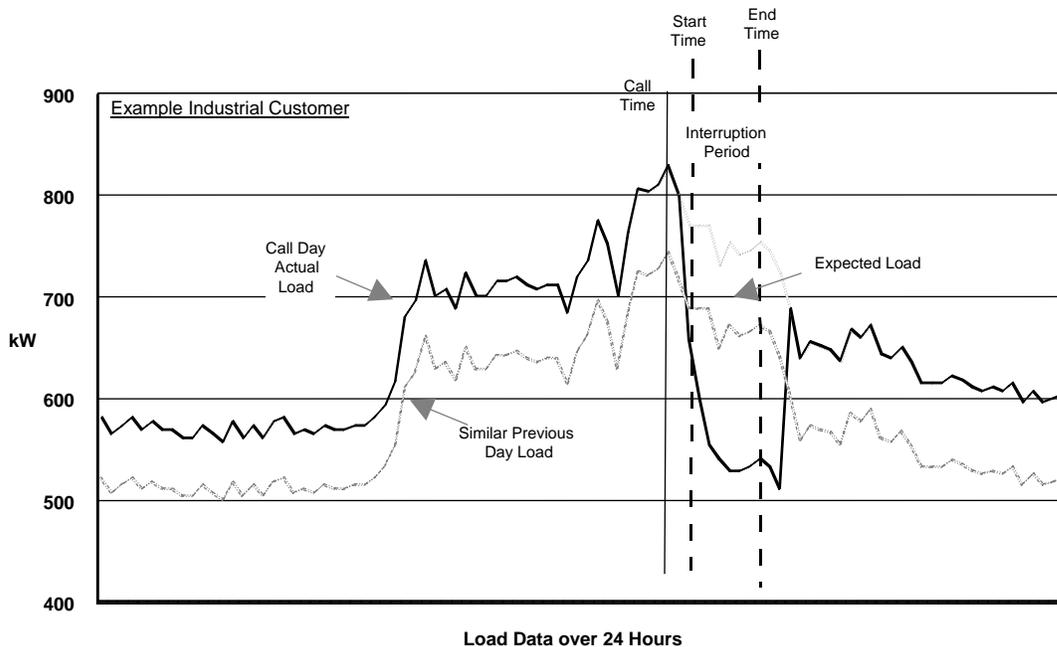
Load Response Program Agreement
 Appendix B

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day.
- Step 2: Obtain hourly load data for Similar Previous Day (baseline = average of last five business days without interruption)
- Step 3: Determine Adjustment Load = Load on Call Day for two hours prior to event - Load on Similar Previous Day for two hours prior to event
- Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day +/- Adjustment Load
- Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	2:00 pm	3:00 pm	4:00 pm	5:00 pm	6:00 pm	7:00 pm
			Start Time		End time		
			3:00 pm	4:00 pm	5:00 pm		
		Two Hours Prior to Event	-< Interruption Period -> (2 hours)				
			Hour 1	Hour 2			
Load on Call Day (kW)	8115395	530660654					
Load Similar Previous Day (kW)	731		670663				
Adjustment Load (kW)	81		+81	+81			
Expected Load (kW)			751744				
- Actual Load on Call Day (kW)			539530				
Actual Load Reduction (kW)			212214				

Committed kW Reduction Amount = 200 kW
 Zonal Price for Hour 1 = \$150/MWh
 Zonal Price for Hour 2 = \$200/MWh
 Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:
 Hour 1: (212 * 150) / 1000 = \$31.80
 Hour 2: (214 * 200) / 1000 = \$42.80
 Total Payment for 2-hour interruption period = \$74.60





Load Response Program Agreement Appendix C

RETX Professional Services Rates (as referenced in Section 3)

Per Diem Rates for Professional Services

RETX understands that it may be necessary to provide additional services and perform additional tasks from time to time to meet Customer’s future requirements that are not within the scope of the standard installation. This would also include any Change Orders and Custom Integration/Development work. RETX standard services rate schedule indicating per diem charges, by labor category are provided below.

RATE SCHEDULE:

RETX Billing Rates/Hour	
Senior Project Manager / Senior Technical Manager	\$200
Project Manager / Technical Manager / Principal Consultant	\$175
Senior Developer / Senior Network Engineer	\$150
Staff Developer / Network Engineer	\$100
Administrative Support	\$ 50

Any travel related expenses will be billed to Customer at the costs incurred.
RETX will obtain all necessary approvals prior to making any travel arrangements on behalf of Customer.

Attachment 2

ISO-NE Demand Response Program

2 Hour Option



Load Response Program Agreement Real-Time Demand Response Program – 2 Hour Notice

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into between Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose Street, Providence, RI 02907 and _____ (“*Customer*”) who has an electric account(s) with Company at the address(es) and account(s) specified below:

Account #(s): _____

Customer’s total “*Committed kW Reduction*” (kW available for interruption at above account(s)) under this Agreement is:

_____ kW

1. Program Summary

Through the Company, the Independent System Operator – New England (“*ISO-NE*”) is offering a Real-Time Demand Response Program (“*Demand Response Program*” or “*Program*”) in order to ensure reliability when capacity is tight on the electric grid, particularly during the summer months. For this Program, the Company has selected RETX (“*RETX*”) as the equipment and software vendor. Participating customers will be equipped with an internet based communications system developed and installed by RETX, enabling customers to monitor their load and electricity prices and receive requests for load reduction at their facility.

During the term of this Agreement, Customer commits to mandatory energy use reductions on a 2 hour notice from ISO-NE. Customer receives payments for participating in the Program and receives additional payments for the energy actually saved when requested by ISO-NE to curtail.

2. Customer Eligibility

The Demand Response Program is available only to customers who meet all of the following criteria:

- (1) have a demand of 10 kW or greater;
- (2) are capable of curtailing a minimum of :
 - i. 100 kW for an individual account, or
 - ii. a minimum of 100 kW for a group of no more than five accounts of the same customer in the same ISO-NE load zone;
- (3) are available for interruption between 7 am and 6 pm on all non-holiday weekdays;
- (4) have hourly load metering in place; and
- (5) are not operating under a load curtailment program of a supplier or other party as of June 1, 2004.

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement.

3. Equipment and Software

(a) Installation Requirements

In order to participate in the Demand Response Program, Customer agrees to become connected to the RETX Internet based communication system. To become connected, Customer will provide and pay for the following (as outlined in Appendix A):

- (1) 120 volt power source at the meter site;
- (2) Access to the Internet at the meter site– either via access to a Local Area Network (LAN) or through a dedicated phone line and ISP account; and
- (3) Access to meter pulses – via the installation of a Pulse Interface Device by Company (through the Company’s Optional Enhanced Metering Service Option 2 – R.I.P.U.C. No. 1155.)

In addition to the above, Customer must permit RETX to install a data recorder box (“*the Equipment*”) at the meter site and download specific software that will record the meter pulses and translate the data into the RETX software package (“*RETX Products*”).

Customer must provide facility and installation information as requested in Appendix A in order for Equipment to be installed by RETX.

(b) Ownership of Metering Equipment / Risk of Loss / Cost of Metering Equipment

At the time the Equipment is installed at Customer’s premises, Company transfers to Customer all of its right, title and interest in the Equipment granted by RETX. RETX has warranted to Company that it shall take all action necessary to ensure that all Equipment is delivered to Customer with good, clear and marketable title, free from any liens, encumbrances and claims of any kind. Title and risk of loss to the Equipment furnished hereunder shall pass to Customer upon installation at Customer’s premises. After installation,

Customer assumes and shall bear all risk of loss or damage to or caused by the Equipment, except for loss or damage caused by RETX's negligence or intentional acts; during the Agreement Term, Customer agrees it is responsible for replacing any Equipment lost or damaged due to casualty, except for loss or damage caused by RETX's and/or any of its subcontractors negligence or intentional acts.

The ISO-NE has agreed to fund the cost of the Equipment for the first 1,000 Customers enrolled in the Program from its inception (June 1, 2000), up to a maximum of \$2,500 per meter installation. Customer agrees to pay any costs (based on time and material) that exceed that amount. In the event Customer does not participate in the Real-Time Demand Response Program through October 31, 2004 (the "Agreement Term"), Customer is responsible for repayment to Company of any installation costs originally funded by ISO-NE.

(c) **Equipment Terms and Conditions**

(i) **Relocation and Protection of Equipment.**

During the Agreement Term, Customer will not relocate the Equipment within the premises or to another location without Company's prior written consent, which shall not be unreasonably withheld.

(ii) **Use of Equipment.**

During the Agreement Term, Customer shall use the Equipment in accordance with ISO-NE requirements for the purpose of participation in load response programs in which they are enrolled and for energy usage information purposes. Customer will notify RETX if installed Equipment is reconfigured, changed or altered from its original configuration. This includes any unforeseen changes in network configuration on the Customer's internal network that conflicts with the existing installed metering equipment settings (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) that will thus render the metering equipment inoperable. In cases where dial-up accounts are being utilized, any changes to ISP infrastructure (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) will also cause the Equipment to become inoperable. RETX will not be responsible for loss of data or any subsequent losses from non-performance during ISO-NE sponsored load response events if the installed Equipment is reconfigured, change or altered from its original configuration without notifying RETX of such changes. Any corrections required to the Equipment due to Customer's network configuration will be completed at the Professional Services rates as set forth in Exhibit C.

(iii) **Maintenance and Repair by Retx.**

During the Agreement Term, Customer shall not permit anyone to deface, injure, or remove any plate, date, number, or other inscription now or hereafter attached to or imprinted on the Equipment by RETX. Customer shall maintain the Equipment in their possession in good operating condition. Customer shall promptly notify Company (who shall promptly notify RETX) of any operating deficiencies involving the Equipment and RETX will use commercially reasonable efforts to repair or replace promptly any defective Equipment. RETX has no obligation to repair or maintain any Equipment if (a) Customer has used the Equipment for any purpose other

than in accordance with the terms of this Agreement, including, without limitation, by or for any person other than Customer; and/or (b) Customer has altered any of the Equipment or Network configuration or ISP infrastructure without RETX's prior written consent.

(iv) Access.

Customer shall provide RETX and/or its system support contractors with full, safe, and free access to the Customer's premises and the Equipment during normal business hours for the installation, adjustment, maintenance, or repair of the Equipment, at mutually acceptable times subject to acceptable insurance as maintained by RETX, or its subcontractors or agents, for such installation work according to state and local regulations.

(v) Pass-thru Warranty; Limitation of Damages.

RETX will assign to Company, and effective the time of installation of such Equipment by RETX at Customer's facility, Company assigns to Customer, any and all assignable end user warranties for the Equipment from the manufacturers thereof. HOWEVER, THE EQUIPMENT IS BEING SOLD BY RETX "AS IS", AND RETX HAS MADE NO EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Notwithstanding the foregoing, however, nothing shall limit the liability of RETX for death or personal injury caused by the negligence of RETX's employees, agents, or representatives.

(d) License for Use of RETX Services

RETX has granted to Company, who in turn grants to Customer a limited, nontransferable, nonexclusive right and license: (i) to use the RETX Services; (ii) to access the functionality of the RETX Products via an Internet browser specified in the RETX Documentation for use by Customer as necessary to receive RETX Services; and (iii) to use the RETX Documentation in connection with the licensed use of the RETX Products by Customer.

(i) Warranties

RETX has warranted that it has acquired all rights necessary to grant the licenses set forth above. RETX has additionally warranted that the RETX Services will substantially conform in all material respects with the RETX Documentation when properly used as set forth in the RETX Documentation. For a period of sixty (60) days from provision of any services, RETX warrants that the RETX Services shall: (i) be performed in a workmanlike manner and (ii) materially comply with any specifications agreed upon in writing by the parties. Customer's sole remedy and RETX's sole liability under these warranties shall be to refund a pro rata portion of the fees payable under this Agreement, prorated based on the number of days (or portions thereof) that the RETX Services are affected. Customer acknowledges that RETX's performance of its obligations under this Agreement may be dependent upon one or more subcontractors.

(ii) No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit the RETX Services or otherwise permit the use of the RETX Services by or for any third party. Moreover, Customer shall not, directly or indirectly, and shall not allow third parties to (a) resell or in any way distribute, transfer or assign the licensed RETX Products and associated RETX Services, (b) reproduce, copy, market, sell, distribute, lease, transfer, translate, modify, adapt, disassemble, decompile or reverse engineer the RETX Products, or (c) use the RETX Services or RETX Products in any outsourcing, service bureau, time sharing, or application service provider capacity.

(iii) Software Services Fee

Customer is responsible for paying a “*Software Services Fee*” of \$100 per meter/per month which enables Customer to use the RETX Products to monitor and track its electrical load, as well as receive and respond to ISO-NE requests for load reduction. Company will bill the Software Services Fee to Customer on a monthly basis.

Through the Company, the ISO-NE has agreed to fund the cost of the Software Services Fee for the first 1,000 customers enrolled in the Program from its inception (June 2000), that have a Committed kW Reduction amount of greater than or equal to 300 kW. Any Customer that meets this eligibility for the entire term of the Agreement will not be billed by the Company for the Software Services Fee. In the event Customer does not continue to meet the eligibility criteria or participate in the Real-Time Demand Response Program through the Agreement Term, Customer is responsible for repayment to Company for the Software Services Fee from that point forward, through October 31, 2004.

4. Procedure for Requests to Reduce Load

As a participant in the Demand Response Program, Customer will be notified of a mandatory interruption after Actions 3 of NEPOOL Operating Procedure No. 4 - Action During a Capacity Deficiency (OP4) are implemented for either their load zone, or system wide. Customer is required to reduce its electric load within 2 hours after being notified by the ISO-NE.

Customer shall provide a primary and secondary contact person’s name and information for notification by the ISO-NE of a mandatory load reduction on Appendix A. The RETX system will send a text message to an e-mail address and/or an e-mail addressable device (ie. pager or cell phone), notifying Customer when a Curtailment Event, as defined in the Program, is called. The notification message will be in substantially the same form as the following:

“This is ISO-NE. Curtail Demand Response loads in (**ZONE) or (**BLOCK) at (**TIME) on (**DATE). Estimated restore time is (**TIME) on (**DATE). Do not reconnect loads without official notice from ISO-NE.”

When the emergency conditions that existed on the system have been restored, Customer will be notified via a text message to an e-mail address and/or an e-mail addressable device (ie. pager or cell phone), notifying Customer to restore loads to normal levels. That notification message will be in substantially the same form as the following:

“This is ISO-NE. Restore Demand Response loads in (**ZONE) or (**BLOCK) at (**TIME) on (**DATE).”

The schedule for load reductions and the cessation of load reductions will be coordinated by the procedures of the ISO-NE. Company does not have control over the timing of a load reduction request and the length of each load reduction period.

5. Customer Baseline, Performance Measurement and Compliance

The Customer Baseline (“CB”), as defined by ISO-NE, is the average hourly load, rounded to the nearest kWh, for each of the 24 hours in a day. The CB process does not begin until the registration process and meter data reporting requirements are complete. The CB used for computing performance for the Program shall consist of eligible weekdays (weekdays that are non-holidays and non-interruption days).

To calculate the Customer Baseline, the RETX software will take the previous 5 weekdays, except for exclusion days, ending the midnight prior to the Program event day to compute the simple average for each hour. The CB will be adjusted (up or down) to reflect actual usage for the two hours preceding the interruption. (See example in Appendix B.)

Performance for metering configurations that include load reduction is measured as the difference between the CB (adjusted) and the actual metered usage by hour during the event. The CB shall be shifted (adjusted) to align the CB with the actual metered usage for two hours preceding the interruption for the event. However, if there are consecutive event days, the Baseline Adjustment used on the first day will be applied to the CB for the second and subsequent consecutive days. For On-Site Generation, either the generator output as metered or a combined measurement of the site load and on-site generation as metered will be used for performance as defined below.

For Customer’s committing only the Load, performance for each shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing for On-Site Generation and metered at the generator, performance for each hour shall be calculated as:

$$Ph = OGH$$

Where: Ph = performance for the hour
OGH = Metered on-site generation output for the hour

For Customer’s subscribing for only On-Site Generation and metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour

CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer's subscribing both On-Site Generation and the Load and participating in the same Program, performance for each hour shall be the net of On-Site Generation and Load as defined below:

Where On-Site Generation and Load are measured separately:
 $Ph = OGh = [CBh - AL]$

Where On-Site Generation and Load are metered such that only the net load reduction value is available, performance for each hour shall be calculated as:
 $Ph = CBh - AL$

Where: Ph = Performance for the hour
OGh = Metered on-site generator output for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

6. Payments to Customer for Committed kW Reduction

Company will pay Customer the revenues it receives for the available capacity of generation resources of "ICAP" for the days and hours in which it is available and willing to interrupt. This credit initially will be based upon the Committed kW Reduction amount provided by the Customer in this Agreement and submitted to ISO-NE. The initial ICAP credit will remain in effect until the ISO-NE calls for a curtailment of the load. Following the curtailment, the ICAP credit will be adjusted to reflect the amount of load actually curtailed. The Adjusted Capability is the lesser of the Committed kW Reduction amount or the lowest actual amount interrupted during the calendar month. The Adjusted Capability will be used to establish the following month's ICAP credit. In the scenario where there are two or more events in the same month, the lowest actual amount interrupted will be used in the subsequent ICAP month, and the last actual amount interrupted in the month will be used to establish the Adjusted Capability for the month following the subsequent month if an event is not initiated in the subsequent month. If an event is initiated in the subsequent month, the lowest actual amount interrupted in that month will be used to establish the Adjusted Capability in the month following the subsequent month.

Customer will receive a monthly amount equal to:

$$[(A/B) * C = \$ICAP]$$

Where:

\$ICAP = the ICAP credit revenues to be paid to Customer in one month

A = Customer's ICAP credit for the month expressed in kW (based on Customer's Committed kW Reduction amount) which shall equal the ICAP credit value accepted by ISO-NE for Customer.

B = Sum of ICAP credits, expressed in kW for all customer's enrolled in Company's program during the month.

C = Total ICAP credit revenues received by Company in the month, expressed in \$

The total amount of Committed kW Reduction will be provided by Customer and may only be changed with a 7-day notice to Company.

Customer will receive these monthly payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

7. Payments to Customer for Actual Interruptions

Customer also will receive compensation for any performed interruptions when requested by the ISO-NE. The “*Calculated Reduction*” will be determined by the RETX Products, by comparing the CB to the Customer’s actual load consumption during the interruption period.

For any requested and performed interruptions, Customer will receive an amount equal to the following for each hour of the interruption period:

[“Calculated Reduction (kWh)” * (Zonal Price)/1000]

Payments made to Customer for actual interruptions will be for the minimum of \$350/MWh or the actual zonal price, whichever is greater.

A minimum two hour call period will also apply for curtailment events with an Interruption Period less than two hours. Customer is guaranteed a payment for a minimum duration of 2 hours if it curtails its load by its Committed kW Reduction amount for that entire period.

Customer will receive their load reduction payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

If there is any disagreement regarding the Calculated Reduction, the ISO-NE’s final determination of how much load reduction from Customer’s facility was actually achieved for payments under its Load Curtailment Rules shall control, even if Customer or Company disagrees with such determination. In no case will Company credit Customer with more or less Calculated Reduction than what is recognized by ISO-NE for payments under its rules.

8. Penalty for Non-Performance

If Customer does not fully comply when an interruption request is made, Customer will be assessed a penalty for non-performance. In order to fully comply, Customer must reduce its electrical load within 2 hours of being requested by the ISO-NE by their Committed kW reduction amount.

ISO-NE will assess a penalty for non-performance according to the following conditions:

Failure to Reduce Load: If Customer fails to reduce demand during a Load Response event it will lose its capability rating beginning with the start of the month during which the event was called or to the last actual interruption as defined by Adjusted Capability. In addition, going forward, Customer capability rating will remain at zero and they will no longer receive a monthly ICAP payment. However, if the Customer

is able to fully comply with a subsequent event called by the ISO-NE for demand reduction, the Adjusted Capability will be reinstated in the following month and the payments will be reinstated as in the following month and is determined in accordance with the performance measurement criteria included in Section 5 of this Agreement.

Partial Reduction in Load: A Customer that is partially reduces demand during a Load Response event, but is unable to reduce by the full amount they agreed upon, will receive a reduced Adjusted Capability and a therefore a reduced ICAP monthly payment going forward. Those payments will now be based on the actual amount of kW load reduction they performed in that interruption. The Customer can return it capability rating and return its monthly payment back to being calculated with the original "Committed Reduction" amount by actually performing that total reduction when the next interruption is requested.

Customer shall **not** be penalized for exceeding its Committed Reduction amount when requested to interrupt by the ISO-NE.

9. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 31, 2004.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.
- (c) Customer must provide Company five (5) business days prior written notice of its intent to terminate this Agreement.
- (d) Customer must remain in the selected ISO-NE program for the period of one year.

10. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Lisa M. Morgera
Narragansett Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7236
Fax: 508-421-7246

If to Customer, to: _____

11. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES’) OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, RETX PRODUCTS OR SERVICES, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE RETX PRODUCTS AND RETX SERVICES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY’S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

12. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party’s reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

13. Confidentiality

The parties acknowledge that the RETX Services, RETX Products, and RETX Documentation contain trade secrets and confidential information (“*Proprietary Information*”) of RETX. Customer acknowledges and agrees that the RETX Proprietary Information shall remain the sole and exclusive property of RETX. Customer shall not disclose the results of any performance tests or reports related to the RETX Services to any third party without RETX’s prior written approval.

RETX has acknowledged to Company that the content provided by Customer for use in the database of the RETX Products (“*Customer Content*”) contains confidential information. RETX has acknowledged to Company that the Customer Content shall remain the sole and exclusive property of Customer. Customer will notify and assist RETX in

obtaining an appropriate protective order in the event of any regulatory or other governmentally required disclosure of RETX Proprietary Information.

Each party shall protect the Proprietary Information of the other party with the same degree of protection and care it uses to protect its own Proprietary Information of a similar nature and sensitivity, but in no event less than reasonable care.

14. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load. The decision to call upon Customer is solely within the discretion of the ISO-NE.
- (c) If Customer has been a participant in Company's Temporary Interruptible Program ("*TIP*") in 2000, such participation shall be terminated upon execution of this Agreement.
- (d) If Customer has been a participant in Company's Load Response Program in 2001, 2002 and/or 2003, such participation shall be terminated upon execution of this Agreement.
- (e) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (f) Customer authorizes Company to release Customer's load shape data or any other Customer information reasonably necessary for the administration of this Program to the ISO-NE, RETX, or any other party involved in the estimation of Customer's kWh reduction.
- (g) Company reserves the right to credit Customer's electric bill rather than send a check for payments under this Agreement.
- (h) In the event of a conflict between this Agreement and the Company's Terms and Conditions on file with the Commission from time to time, this Agreement shall control.
- (i) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

Narragansett Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____

Load Response Customer Agreement Appendix A Customer Facility Survey and Device Requirements

Company / Facility Name: _____

Facility Address: _____

Hours of Operation: _____

Hours of Occupation: _____

NECO Account Manager: _____

ISO-NE Load Zone (found on NECO electric bill): _____

NX 11-C Number (to be provided by ISO-NE): _____

Contact Information:

Facility Contact Name:		Phone #:	
IT Contact (if different):		Phone #:	

Curtailment Contacts:

Primary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Secondary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Additional Name:		email address*:	
		Pager/Device*:	
		Phone #:	

* Email addressable pagers and devices are acceptable
 (Note: System allows for more than 3 contacts if needed)

Meter Information:

Meter Number:	Asset ID#	Pulse Value

(Please circle and link meters above which will be combined to meet the contracted load requirements)

Facility Survey:

Location of existing revenue meter:	
Location for RETX Data Recorder:	
Requirements for all Installations:	
(**) Plywood mounting surface (with 2ft x 2ft of free space, if different, please specify below in Notes field):	Date Verified by RETX: ____/____/____
(**) Standard 3-prong 120V power supply on Site within 8 ft of RETX box:	Date Verified by RETX: ____/____/____
(**) KYZ Pulses brought from revenue meter to within 10 ft. of RETX box:	Date Verified by RETX: ____/____/____
Device Preference: LAN; Dial-up ISP; or Wireless (choose one):	
If Dial-up: RJ-11 jack within 10 ft:	Date Verified: ____/____/____
If LAN: RJ-45 jack within 10 ft:	Date Verified: ____/____/____
If wireless: Verizon Signal present	Date Verified: ____/____/____
Environment: Indoor or Outdoor	

(**) – Mandatory Fields – must be completed.

If preference is using the customer’s network, please provide the following:

Is DHCP Server Available	
IP Address for RETX Data Recorder	
Subnet for RETX Data Recorder	
SMTP Server Address	
Network Admin. Contact Name	
Contact’s Phone # and email address	

If preference is using 3rd party ISP (dial-up), please provide the following:

Name of ISP (Internet Service Provider)	
Phone Number for Customer Service	
Dial-up number for internet access	
User name/password	
Do we dial “9” or another number to get out of your phone system?	

Notes:

STANDARD RETX DATA RECORDER CONFIGURATION:



* Maximum total run of 500 feet for KYZ pulses from meter to RETX box.
**Maximum total run of 1,000 feet for LAN using CAT5 cable.



Interruptible Capacity Questions:

How is the load reduction going to occur at your facility?

- Reduce/Cut Electric load
- Start Generation
- Reduce Load and Start Generation

****NOTE: If Customer indicates that it will start generation or use a combination of generation and load reduction for a Load Reduction event, Customer must present to the Company an air permit or written waiver issued by the state environmental regulator for the generating unit.**

If a generator is going to be started, please provide the following information:

- Fuel Type to be used:
- | | |
|--|--|
| <input type="checkbox"/> No. 2 Fuel Oil (Diesel) | <input type="checkbox"/> No. 1 Fuel Oil |
| <input type="checkbox"/> No. 3 Fuel Oil (Diesel) | <input type="checkbox"/> No. 4 Fuel Oil |
| <input type="checkbox"/> No. 5 Fuel Oil | <input type="checkbox"/> No. 6 Fuel Oil |
| <input type="checkbox"/> Natural Gas | <input type="checkbox"/> Liquefied Propane Gas |
| <input type="checkbox"/> Multifuel | <input type="checkbox"/> Propane |
| <input type="checkbox"/> Jet Fuel – Naphtha Type | <input type="checkbox"/> Motor Gasoline-Conventional |
| <input type="checkbox"/> Motor Gasoline-Reformulated | <input type="checkbox"/> Motor Gasoline-Fuel Ethanol |
| <input type="checkbox"/> Motor Gasoline-Oxygenated | <input type="checkbox"/> Gasoline |
| <input type="checkbox"/> Other (please provide: _____) | |

Fuel Characteristics (Sulfur Content percentage): _____%

How will fuel be measured and recorded?

Type of generation unit: Make: _____
 Model: _____
 In Service Years: _____

Size of the generation unit (Rating capacity of the unit): _____ kWh

Is the generating unit registered or permitted through State Department? Yes or No

DISCLAIMER: It is the responsibility of the Customer to comply with all Local, State, and Federal Air Emissions Regulations permits and/or regulations. Questions concerning compliance should be forwarded to the respective regulating authority.

Emission rates of the generating unit - in Lbs/kWh: (please use either from emissions testing or manufacturer documents if emissions test data not available)

- Emissions rate lbs/kW of Nitrogen Oxide (NOX): _____ lbs/kWh
- Emissions rate lbs/kW of Sulfur Dioxide (SO2): _____ lbs/kWh
- Emissions rate lbs/kW of Carbon Dioxide (CO2): _____ lbs/kWh
- Emissions rate lbs/kW of Carbon Monoxide (CO): _____ lbs/kWh
- If other emissions, please specify: _____



Load Response Program Agreement

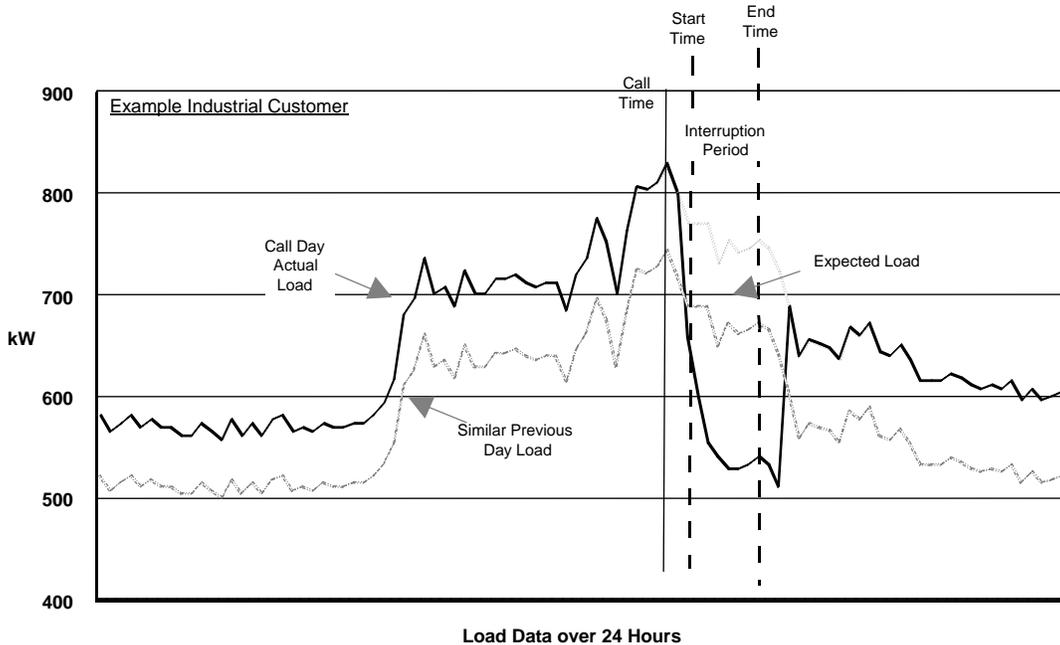
Appendix B

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day.
- Step 2: Obtain hourly load data for Similar Previous Day (baseline = average of last five business days without interruption)
- Step 3: Determine Adjustment Load = Load on Call Day for two hours prior to event - Load on Similar Previous Day for two hours prior to event
- Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day +/- Adjustment Load
- Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	2:00 pm	3:00 pm	4:00 pm	5:00 pm	6:00 pm	7:00 pm
		Two Hours Prior to Event	<- Interruption Period -> (2 hours)				
			Hour 1	Hour 2			
Load on Call Day (kW)	8115395	30660654					
Load Similar Previous Day (kW)	731		670663				
Adjustment Load (kW)	81		+81	+81			
Expected Load (kW)			751744				
- Actual Load on Call Day (kW)			539530				
Actual Load Reduction (kW)			212214				

Committed kW Reduction Amount = 200 kW
 Zonal Price for Hour 1 = \$150/MWh
 Zonal Price for Hour 2 = \$200/MWh
 Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:
 Hour 1: $(212 * 150) / 1000 = \$31.80$
 Hour 2: $(214 * 200) / 1000 = \$42.80$
 Total Payment for 2-hour interruption period = \$74.60



Load Response Program Agreement Appendix C

RETX Professional Services Rates (as referenced in Section 3)

Per Diem Rates for Professional Services

RETX understands that it may be necessary to provide additional services and perform additional tasks from time to time to meet Customer's future requirements that are not within the scope of the standard installation. This would also include any Change Orders and Custom Integration/Development work. RETX standard services rate schedule indicating per diem charges, by labor category are provided below.

RATE SCHEDULE:

RETX Billing Rates/Hour	
Senior Project Manager / Senior Technical Manager	\$200
Project Manager / Technical Manager / Principal Consultant	\$175
Senior Developer / Senior Network Engineer	\$150
Staff Developer / Network Engineer	\$100
Administrative Support	\$ 50

Any travel related expenses will be billed to Customer at the costs incurred.

RETX will obtain all necessary approvals prior to making any travel arrangements on behalf of Customer.

Attachment 3

ISO-NE Price Response Program

High Tech Option



Load Response Program Agreement Real-Time Price Response Program

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into between Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose Street, Providence, RI 02907 and _____ (“*Customer*”) who has an electric account(s) with Company at the address(es) and account(s) specified below:

Account #(s) _____

Customer’s total “*Committed kW reduction*” (kW available for interruption at above account(s)) under this Agreement is:

_____ kW

1. Program Summary

Through the Company, the Independent System Operator – New England (“*ISO-NE*”) is offering a Real-Time Price Response Program (“*Price Response Program*” or “*Program*”) in order to ensure reliability and help moderate wholesale electricity prices. This program will allow customers to monitor energy prices in real time and voluntarily reduce energy consumption during certain periods determined by the ISO-NE. For this Program, the Company has selected RETX (“*RETX*”) as the equipment and software vendor. Participating customers will be equipped with an internet based communications system developed and installed by RETX, enabling customers to monitor their load and electricity prices, as well as receive and respond to requests for load reduction at their facility.

2. Customer Eligibility

The Price Response Program is available only to customers who meet all of the following criteria:

- (1) have a demand of 10 kW or greater;
- (2) are capable of curtailing a minimum of :
 - i. 100 kW for an individual account, or
 - ii. a minimum of 100 kW for a group of no more than five accounts of the same customer in the same ISO-NE load zone;
- (3) are available for interruption between 7 am and 6 pm on all non-holiday weekdays;
- (4) have hourly load metering in place; and
- (5) are not operating under a load curtailment program of a supplier or other party as of June 1, 2004.

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement.

3. Equipment and Software

(a) Installation Requirements

In order to participate in the Price Response Program, Customer agrees to become connected to the RETX Internet based communication system. To become connected, Customer will provide and pay for the following (as outlined in Appendix A):

- (1) 120 volt power source at the meter site;
- (2) Access to the Internet at the meter site– either via access to a Local Area Network (LAN), through a dedicated phone line and ISP account, or through a wireless communication service which Company will arrange on Customer’s behalf and Customer will reimburse monthly cost to Company; and
- (3) Access to meter pulses – via the installation of a Pulse Interface Device by Company (through the Company’s Optional Enhanced Metering Service Option 2 – R.I.P.U.C. No. 1155.)

In addition to the above, Customer must permit RETX to install a data recorder box (“*the Equipment*”) at the meter site and download specific software that will record the meter pulses and translate the data into the RETX software package (“*RETX Products*”).

Customer must provide facility and installation information as requested in Appendix A in order for Equipment to be installed by RETX.

(b) Ownership of Metering Equipment / Risk of Loss / Cost of Metering Equipment

At the time the Equipment is installed at Customer’s premises, Company transfers to Customer all of its right, title and interest in the Equipment granted by RETX. RETX has warranted to Company that it shall take all action necessary to ensure that all Equipment is delivered to Customer with good, clear and marketable title, free from any liens, encumbrances and claims of any kind. Title and risk of loss to the Equipment furnished hereunder shall pass to Customer upon installation at Customer’s premises. After installation, Customer assumes and

shall bear all risk of loss or damage to or caused by the Equipment, except for loss or damage caused by RETX's negligence or intentional acts; during the Agreement Term, Customer agrees it is responsible for replacing any Equipment lost or damaged due to casualty, except for loss or damage caused by RETX's and/or any of its subcontractors negligence or intentional acts.

The ISO-NE has agreed to fund fifty percent of the cost of the Equipment for the first 1,000 Customers enrolled in the Program from its inception (June 1, 2000), up to a maximum of \$1,250 per meter installation. Customer agrees to pay any costs (based on time and material) that exceed that amount. In the event Customer does not participate in the Real-Time Price Response Program through October 31, 2004 (the "*Agreement Term*"), Customer is responsible for repayment to Company of any installation costs originally funded by ISO-NE.

(c) **Equipment Terms and Conditions**

(i) **Relocation and Protection of Equipment.**

During the Agreement Term, Customer will not relocate the Equipment within the premises or to another location without Company's prior written consent, which shall not be unreasonably withheld.

(ii) **Use of Equipment**

During the Agreement Term, Customer shall use the Equipment in accordance with ISO-NE requirements for the purpose of participation in load response programs in which they are enrolled and for energy usage information purposes. Customer will notify RETX if installed Equipment is reconfigured, changed or altered from its original configuration. This includes any unforeseen changes in network configuration on the Customer's internal network that conflicts with the existing installed metering equipment settings (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) that will thus render the metering equipment inoperable. In cases where dial-up accounts are being utilized, any changes to ISP infrastructure (i.e. IP Address, default gateway IP Address, SMTP Address, and Subnet Mask) will also cause the Equipment to become inoperable. RETX will not be responsible for loss of data or any subsequent losses from non-performance during ISO-NE sponsored load response events if the installed Equipment is reconfigured, change or altered from its original configuration without notifying RETX of such changes. Any corrections required to the Equipment due to Customer's network configuration will be completed at the Professional Services rates as set forth in Exhibit C.

(iii) **Maintenance and Repair by Retx.**

During the Agreement Term, Customer shall not permit anyone to deface, injure, or remove any plate, date, number, or other inscription now or hereafter attached to or imprinted on the Equipment by RETX. Customer shall maintain the Equipment in their possession in good operating condition. Customer shall promptly notify Company (who shall promptly notify RETX) of any operating deficiencies involving the Equipment and RETX will use commercially reasonable efforts to repair or replace promptly any defective Equipment. RETX has no obligation to repair or maintain any Equipment if (a) Customer has used the Equipment for any purpose other than in accordance with the terms of this Agreement, including, without limitation, by or for any person other than

Customer; and/or (b) Customer has altered any of the Equipment or Network configuration or ISP infrastructure without RETX's prior written consent.

(iv) Access.

Customer shall provide RETX and/or its system support contractors with full, safe, and free access to the Customer's premises and the Equipment during normal business hours for the installation, adjustment, maintenance, or repair of the Equipment, at mutually acceptable times subject to acceptable insurance as maintained by RETX, or its subcontractors or agents, for such installation work according to state and local regulations.

(v) Pass-thru Warranty; Limitation of Damages.

RETX will assign to Company, and effective the time of installation of such Equipment by RETX at Customer's facility, Company assigns to Customer, any and all assignable end user warranties for the Equipment from the manufacturers thereof. HOWEVER, THE EQUIPMENT IS BEING SOLD BY RETX "AS IS", AND RETX HAS MADE NO EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Notwithstanding the foregoing, however, nothing shall limit the liability of RETX for death or personal injury caused by the negligence of RETX's employees, agents, or representatives.

(d) License for Use of Retx Services

Retx has granted to Company, who in turn grants to Customer a limited, nontransferable, nonexclusive right and license: (i) to use the RETX Services; (ii) to access the functionality of the RETX Products via an Internet browser specified in the RETX Documentation for use by Customer as necessary to receive RETX Services; and (iii) to use the RETX Documentation in connection with the licensed use of the RETX Products by Customer.

(i) Warranties

RETX has warranted that it has acquired all rights necessary to grant the licenses set forth above. RETX has additionally warranted that the RETX Services will substantially conform in all material respects with the RETX Documentation when properly used as set forth in the RETX Documentation. For a period of sixty (60) days from provision of any services, RETX warrants that the RETX Services shall: (i) be performed in a workmanlike manner and (ii) materially comply with any specifications agreed upon in writing by the parties. Customer's sole remedy and RETX's sole liability under these warranties shall be to refund a pro rata portion of the fees payable under this Agreement, prorated based on the number of days (or portions thereof) that the RETX Services are affected. Customer acknowledges that RETX's performance of its obligations under this Agreement may be dependent upon one or more subcontractors.

(ii) No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit the RETX

Services or otherwise permit the use of the RETX Services by or for any third party. Moreover, Customer shall not, directly or indirectly, and shall not allow third parties to (a) resell or in any way distribute, transfer or assign the licensed RETX Products and associated RETX Services, (b) reproduce, copy, market, sell, distribute, lease, transfer, translate, modify, adapt, disassemble, decompile or reverse engineer the RETX Products, or (c) use the RETX Services or RETX Products in any outsourcing, service bureau, time sharing, or application service provider capacity.

(iii) Software Services Fee

Customer is responsible for paying a “*Software Services Fee*” of \$100 per meter/per month which enables Customer to use the RETX Products to monitor and track its electrical load, as well as receive and respond to ISO-NE requests for load reduction. Company will bill the Software Services Fee to Customer on a monthly basis.

In the event Customer does not continue to meet the eligibility criteria or participate in the Real-Time Price Response Program through the Agreement Term, Customer is responsible for repayment to Company for the Software Services Fee from that point forward, through October 31, 2004.

4. Procedure for Requests to Reduce Load

As a participant in the Price Response Program, Customer will only be notified by the ISO-NE (via the Retx communications system) when they forecast the Real Time Zonal Price (“*Zonal Price*”) for the zone that they reside in to meet or exceed \$100/MWh in a given hour in that or the next day. Once that “window” has been opened, customers can voluntarily elect if and when to participate based on actual prices.

Customer shall provide a primary and secondary contact person’s name and information for notification by the ISO-NE of a load reduction opportunity on Appendix A. The RETX communications system will send a text message to an e-mail address or an e-mail addressable device (ie. pager or cell phone), notifying Customer when the window has been opened, as defined in the Program, for a curtailment opportunity. The notification message will be in substantially the same form as the following:

“ISO-NE is opening the interruption period for Price Response loads in (*ZONE) at (**TIME) on (**DATE) and ending at 1800 on (**DATE).”

The schedule for load reductions and the cessation of load reductions will be coordinated by the procedures of the ISO-NE. Company does not have control over the timing of a load reduction request and the length of each load reduction period.

5. Customer Baseline and Performance Measurement

The Customer Baseline (“*CB*”), as defined by ISO-NE, is the average hourly load, rounded to the nearest kWh, for each of the 24 hours in a day. The CB process does not begin until the registration process and meter data reporting requirements are complete. The CB used for computing performance for the Program shall consist of eligible weekdays (weekdays that are non-holidays and non-interruption days).

To calculate the Customer Baseline, ISO-NE will take the previous 5 weekdays, except for exclusion days, ending the midnight prior to the Program event day to compute the simple average for each hour. The CB will be adjusted (up or down) to reflect actual usage for the two hours preceding the interruption. (See example in Appendix B.) For Program purposes, ISO-NE will calculate the CB. The RETX software will also calculate an “estimated” baseline for the Customers benefit, although this CB may not be exactly the same as the CB calculated by the ISO-NE and used to calculate performance payments.

Performance for metering configurations that include load reduction is measured as the difference between the CB (adjusted) and the actual metered usage by hour during the event. The CB shall be adjusted to align the CB with the actual metered usage for two hours preceding the interruption for the event. However, if there are consecutive event days, the Baseline Adjustment used on the first day will be applied to the CB for the second and subsequent consecutive days. For On-Site Generation, either the generator output as metered or a combined measurement of the site load and on-site generation as metered will be used for performance as defined below.

For Customer’s committing only the Load, performance for each shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing for On-Site Generation and metered at the generator, performance for each hour shall be calculated as:

$$Ph = OGh$$

Where: Ph = performance for the hour
OGh = Metered on-site generation output for the hour

For Customer’s subscribing for only On-Site Generation and metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing both On-Site Generation and the Load and participating in the same Program, performance for each hour shall be the net of On-Site Generation and Load as defined below:

Where On-Site Generation and Load are measured separately:

$$Ph = OGh = [CBh - AL]$$

Where On-Site Generation and Load are metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = Performance for the hour
OGh = Metered on-site generator output for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

6. Payments to Customer for Actual Interruptions

Customer will receive compensation for any committed and performed interruptions in which the ISO-NE projects and sends notification that the Zonal Price is expected to exceed \$100/MWh. The “*Calculated Reduction*” will be calculated by the ISO-NE settlement department by comparing CB to Customer’s actual load consumption during the interruption period.

Except for as specified below, for any requested and performed interruptions, Customer will receive an amount equal to the following for each hour of the interruption period:

$$[\text{“Calculated Reduction (kWh)”} * (\text{Zonal Price})/1000]$$

Payments made to Customer for actual interruptions will be for the minimum of \$100/MWh or the actual zonal price, whichever is greater.

Customer will receive their load reduction payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

If there is any disagreement regarding the Calculated Reduction, the ISO-NE’s final determination of how much load reduction from Customer’s facility was actually achieved for payments under its Load Curtailment Rules shall control, even if Customer or Company disagrees with such determination. In no case will Company credit Customer with more or less Calculated Reduction than what is recognized by ISO-NE for payments under its rules.

7. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 31, 2004.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.
- (c) Customer must provide Company five (5) business days prior written notice of its intent to terminate this Agreement.
- (d) Customer must remain in the selected ISO-NE program for the period of one year.

8. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Lisa M. Morgera
Narragansett Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7236
Fax: 508-421-7246

If to Customer, to: _____

9. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES’) OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, RETX PRODUCTS OR SERVICES, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE RETX PRODUCTS AND RETX SERVICES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY’S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

10. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party’s reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

11. Confidentiality

The parties acknowledge that the RETX Services, RETX Products, and RETX Documentation contain trade secrets and confidential information (“*Proprietary Information*”) of RETX. Customer acknowledges and agrees that the RETX Proprietary Information shall remain the sole and exclusive property of RETX. Customer shall not disclose the results of any performance tests or reports related to the RETX Services to any third party without RETX’s prior written approval.

RETX has acknowledged to Company that the content provided by Customer for use in the database of the RETX Products (“*Customer Content*”) contains confidential information. RETX has acknowledged to Company that the Customer Content shall remain the sole and exclusive property of Customer. Customer will notify and assist RETX in obtaining an appropriate protective order in the event of any regulatory or other governmentally required disclosure of RETX Proprietary Information.

Each party shall protect the Proprietary Information of the other party with the same degree of protection and care it uses to protect its own Proprietary Information of a similar nature and sensitivity, but in no event less than reasonable care.

12. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load. The decision to call upon Customer is solely within the discretion of the ISO-NE.
- (c) If Customer has been a participant in Company’s Temporary Interruptible Program (“*TIP*”) in 2000, such participation shall be terminated upon execution of this Agreement.
- (d) If Customer has been a participant in Company’s Load Response Program in 2001, 2002 and/or 2003, such participation shall be terminated upon execution of this Agreement.
- (e) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (f) Customer authorizes Company to release Customer’s load shape data or any other customer information reasonably necessary for the administration of this Program to the ISO-NE, RETX, or any other party involved in the estimation of Customer’s kWh reduction.
- (g) Company reserves the right to credit Customer’s electric bill rather than send a check for payments under this Agreement.
- (h) In the event of a conflict between this Agreement and the Company’s Terms and Conditions on file with the Commission from time to time, this Agreement shall control.

- (i) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

Narragansett Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____



Load Response Customer Agreement Appendix A Customer Facility Survey and Device Requirements

Company / Facility Name: _____

Facility Address: _____

Hours of Operation: _____

Hours of Occupation: _____

NECO Account Manager: _____

ISO-NE Load Zone (found on NECO electric bill): _____

NX 11-C Number (to be provided by ISO-NE): _____

Contact Information:

Facility Contact Name:		Phone #:	
IT Contact (if different):		Phone #:	

Curtailment Contacts:

Primary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Secondary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Additional Name:		email address*:	
		Pager/Device*:	
		Phone #:	

* Email addressable pagers and devices are acceptable
(Note: System allows for more than 3 contacts if needed)

Meter Information:

Meter Number:	Asset ID#	Pulse Value

(Please circle and link meters above which will be combined to meet the contracted load requirements)

Facility Survey:

Location of existing revenue meter:	
Location for RETX Data Recorder:	
Requirements for all Installations:	
(**) Plywood mounting surface (with 2ft x 2ft of free space, if different, please specify below in Notes field):	Date Verified by RETX: ____/____/____
(**) Standard 3-prong 120V power supply on Site within 8 ft of RETX box:	Date Verified by RETX: ____/____/____
(**) KYZ Pulses brought from revenue meter to within 10 ft. of RETX box:	Date Verified by RETX: ____/____/____
Device Preference: LAN; Dial-up ISP; or Wireless (choose one):	
If Dial-up: RJ-11 jack within 10 ft:	Date Verified: ____/____/____
If LAN: RJ-45 jack within 10 ft:	Date Verified: ____/____/____
If wireless: Verizon Signal present	Date Verified: ____/____/____
Environment: Indoor or Outdoor	

(**) – Mandatory Fields – must be completed.

If preference is using the customer’s network, please provide the following:

Is DHCP Server Available	
IP Address for RETX Data Recorder	
Subnet for RETX Data Recorder	
SMTP Server Address	
Network Admin. Contact Name	
Contact’s Phone # and email address	

If preference is using 3rd party ISP (dial-up), please provide the following:

Name of ISP (Internet Service Provider)	
Phone Number for Customer Service	
Dial-up number for internet access	
User name/password	
Do we dial “9” or another number to get out of your phone system?	

Notes:

STANDARD RETX DATA RECORDER CONFIGURATION:



* Maximum total run of 500 feet for KYZ pulses from meter to RETX box.
**Maximum total run of 1,000 feet for LAN using CAT5 cable.



Load Response Program Agreement

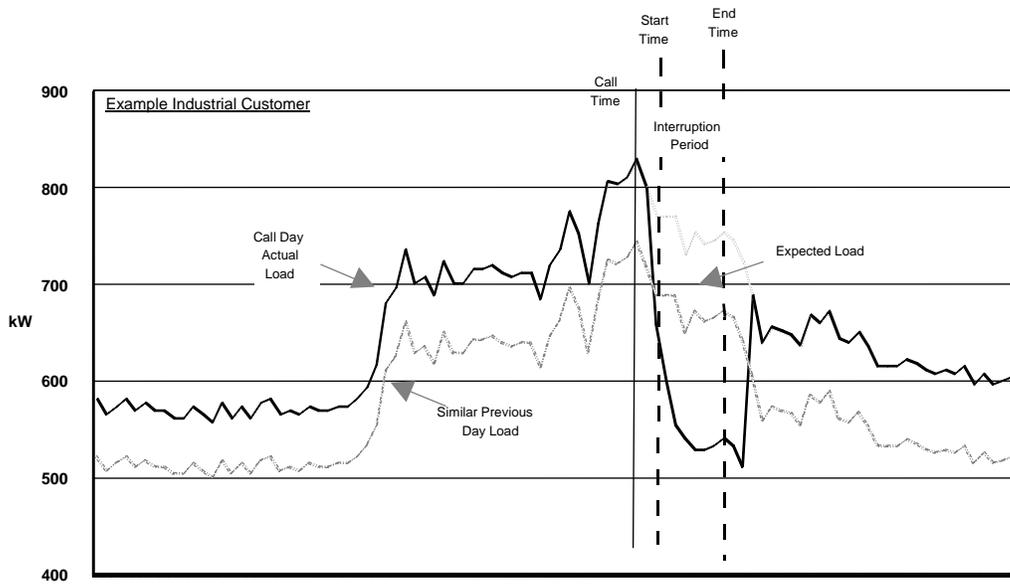
Appendix B

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day.
- Step 2: Obtain hourly load data for Similar Previous Day (baseline = average of last five business days without interruption)
- Step 3: Determine Adjustment Load = Load on Call Day for two hours prior to event - Load on Similar Previous Day for two hours prior to event
- Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day +/- Adjustment Load
- Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	2:00 pm	3:00 pm	4:00 pm	5:00 pm	6:00 pm	7:00 pm
			Start Time 3:00 pm		End time 5:00 pm		
		Two Hours Prior to Event		-< Interruption Period -> (2 hours) Hour 1 Hour 2			
Load on Call Day (kW)	81	153	95	306	606	654	
Load Similar Previous Day (kW)	731			670	663		
Adjustment Load (kW)	81			+81	+81		
Expected Load (kW)				751	744		
- Actual Load on Call Day (kW)				539	530		
Actual Load Reduction (kW)				212	214		

Committed kW Reduction Amount = 200 kW
 Zonal Price for Hour 1 = \$150/MWh
 Zonal Price for Hour 2 = \$200/MWh
 Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:
 Hour 1: (212 * 150) / 1000 = \$31.80
 Hour 2: (214 * 200) / 1000 = \$42.80
 Total Payment for 2-hour interruption period = \$74.60



Load Data over 24 Hours



Load Response Program Agreement Appendix C

RETX Professional Services Rates (as referenced in Section 3)

Per Diem Rates for Professional Services

RETX understands that it may be necessary to provide additional services and perform additional tasks from time to time to meet Customer’s future requirements that are not within the scope of the standard installation. This would also include any Change Orders and Custom Integration/Development work. RETX standard services rate schedule indicating per diem charges, by labor category are provided below.

RATE SCHEDULE:

RETX Billing Rates/Hour	
Senior Project Manager / Senior Technical Manager	\$200
Project Manager / Technical Manager / Principal Consultant	\$175
Senior Developer / Senior Network Engineer	\$150
Staff Developer / Network Engineer	\$100
Administrative Support	\$ 50

Any travel related expenses will be billed to Customer at the costs incurred.

RETX will obtain all necessary approvals prior to making any travel arrangements on behalf of Customer.

Attachment 4

ISO-NE Price Response Program

Low Tech Option



Load Response Program Agreement Real-Time Price Response Program Via Low Tech Option

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into between Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose Street, Providence, RI 02907 and _____ (“*Customer*”) who has an electric account(s) with Company at the address(es) and account(s) specified below:

Account #(s): _____

Customer’s total “*Committed kW reduction*” (kW available for interruption at above account(s)) under this Agreement is:

_____ kW

1. **Program Summary**

Through the Company, the Independent System Operator – New England (“*ISO-NE*”) is offering a Real-Time Price Response Program (“*Price Response Program*” or “*Program*”) in order to ensure reliability and help moderate wholesale electricity prices. This program will allow customers to monitor energy prices and voluntarily reduce energy consumption during certain periods determined by the ISO-NE. For this component of the Program, the ISO-NE has developed a Low-Tech Option which enables customers to participate without having to install any external data recording equipment. Participating customers will be required to be equipped with a modem read interval meter which will be read daily by the Company through a dedicated phone line.

2. Customer Eligibility

The Price Response Program via the Low Tech Option is available only to customers who meet all of the following criteria:

- (1) have a demand of 10 kW or greater;
- (2) are capable of curtailing a minimum of:
 - i. 100 kW for an individual account, or
 - ii. a minimum of 100 kW for a group of no more than five accounts of the same customer in the same ISO-NE load zone;
- (3) are available for interruption between 7 am and 6 pm on all non-holiday weekdays;
- (4) have hourly load metering being read via phone line in place; and
- (5) are not operating under a load curtailment program of a supplier or other party as of June 1, 2004.

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement.

3. Equipment and Installation Requirements

In order to participate in the Price Response Program via the Low Tech Option, Customer has or agrees to install a modem read meter (and dedicated phone line) through the Company's Optional Enhanced Metering Service Option 1 (see Appendix C for reference to R.I.P.U.C. No. 1155 as may be amended from time to time.)

4. Procedure for Requests to Reduce Load

As a participant in the Real-Time Price Response Program via the Low Tech Option, Customer will only be notified by the ISO-NE when they forecast the Real Time Zonal Price ("*Zonal Price*") for the zone that they reside in to meet or exceed \$100/MWh in a given hour in that or the next day. Once that "window" has been opened, customers can voluntarily elect if and when to participate based on actual prices.

Customer shall provide a primary and secondary contact person's name and information for notification by the ISO-NE of a load reduction opportunity on Appendix A. Customer will also be required to register this information on the ISO-NE's List Serve to be notified directly by the ISO-NE of a load reduction opportunity. The ISO-NE will send a text message to an e-mail address or an e-mail addressable device (ie. pager or cell phone), notifying Customer when the window has been opened, as defined in the Program, for a curtailment opportunity. The notification message will be in substantially the same form as the following:

"ISO-NE is opening the interruption period for Price Response loads in (*ZONE) at (**TIME) on (**DATE) and ending at 1800 on (**DATE)."

The schedule for load reductions and the cessation of load reductions will be coordinated by the procedures of the ISO-NE. Company does not have control over the timing of a load reduction request and the length of each load reduction period.

5. Customer Baseline and Performance Measurement

The Customer Baseline (“CB”), as defined by ISO-NE, is the average hourly load, rounded to the nearest kWh, for each of the 24 hours in a day. The CB process does not begin until the registration process and meter data reporting requirements are complete. The CB used for computing performance for the Program shall consist of eligible weekdays (weekdays that are non-holidays and non-interruption days).

To calculate the Customer Baseline, ISO-NE will take the previous 5 weekdays, except for exclusion days, ending the midnight prior to the Program event day to compute the simple average for each hour. The CB will be adjusted (up or down) to reflect actual usage for the two hours preceding the interruption. (See example in Appendix B.) For Program purposes, ISO-NE will calculate the CB.

Performance for metering configurations that include load reduction is measured as the difference between the CB (adjusted) and the actual metered usage by hour during the event. The CB shall be adjusted to align the CB with the actual metered usage for two hours preceding the interruption for the event. However, if there are consecutive event days, the Baseline Adjustment used on the first day will be applied to the CB for the second and subsequent consecutive days. For On-Site Generation, either the generator output as metered or a combined measurement of the site load and on-site generation as metered will be used for performance as defined below.

For Customer’s committing only the Load, performance for each shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing for On-Site Generation and metered at the generator, performance for each hour shall be calculated as:

$$Ph = OGh$$

Where: Ph = performance for the hour
OGh = Metered on-site generation output for the hour

For Customer’s subscribing for only On-Site Generation and metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer’s subscribing both On-Site Generation and the Load and participating in the same Program, performance for each hour shall be the net of On-Site Generation and Load as defined below:

Where On-Site Generation and Load are measured separately:

$$Ph = OGh = [CBh - AL]$$

Where On-Site Generation and Load are metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = Performance for the hour
OGh = Metered on-site generator output for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

6. Payments to Customer for Actual Interruptions

Customer will receive compensation for any committed and performed interruptions in which the ISO-NE projects and sends notification that the Zonal Price is expected to exceed \$100/MWh. The “*Calculated Reduction*” will be calculated by the ISO-NE settlement department by comparing CB to Customer’s actual load consumption during the interruption period.

Except for as specified below, for any requested and performed interruptions, Customer will receive an amount equal to the following for each hour of the interruption period:

$$[“\text{Calculated Reduction (kWh)}” * (\text{Zonal Price})/1000]$$

Payments made to Customer for actual interruptions will be for the minimum of \$100/MWh or the actual zonal price, whichever is greater.

Customer will receive their load reduction payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

If there is any disagreement regarding the Calculated Reduction, the ISO-NE’s final determination of how much load reduction from Customer’s facility was actually achieved for payments under its Load Curtailment Rules shall control, even if Customer or Company disagrees with such determination. In no case will Company credit Customer with more or less Calculated Reduction than what is recognized by ISO-NE for payments under its rules.

7. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 31, 2004.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.
- (c) Customer must provide Company five (5) business days prior written notice of its intent to terminate this Agreement.
- (d) Customer must remain in the selected ISO-NE program for the period of one year.

8. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by

overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Lisa M. Morgera
Narragansett Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7236
Fax: 508-421-7246

If to Customer, to: _____

9. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES’) OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, RETX PRODUCTS OR SERVICES, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE RETX PRODUCTS AND RETX SERVICES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY’S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

10. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party’s reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

11. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load. The decision to call upon Customer is solely within the discretion of the ISO-NE.
- (c) If Customer has been a participant in Company's Temporary Interruptible Program ("*TIP*") in 2000, such participation shall be terminated upon execution of this Agreement.
- (d) If Customer has been a participant in Company's Load Response Program in 2001, 2002 and/or 2003, such participation shall be terminated upon execution of this Agreement.
- (e) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (f) Customer authorizes Company to release Customer's load shape data or any other customer information reasonably necessary for the administration of this Program to the ISO-NE or any other party involved in the estimation of Customer's kWh reduction.
- (g) Company reserves the right to credit Customer's electric bill rather than send a check for payments under this Agreement.
- (h) In the event of a conflict between this Agreement and the Company's Terms and Conditions on file with the Commission from time to time, this Agreement shall control.
- (i) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

Narragansett Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____



Load Response Customer Agreement Appendix A Customer Facility Survey

Company / Facility Name: _____

Facility Address: _____

Hours of Operation: _____

Hours of Occupation: _____

NECO Account Manager: _____

ISO-NE Load Zone (found on NECO electric bill): _____

NX 11-C Number (to be provided by ISO-NE): _____

Contact Information: (Customer MUST provide the following information)

Facility Contact Name:		Phone #:	
------------------------	--	----------	--

Curtailment Contacts:

Primary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Secondary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Additional Name:		email address*:	
		Pager/Device*:	
		Phone #:	

* Email addressable pagers and devices are acceptable
(Note: System allows for more than 3 contacts if needed)

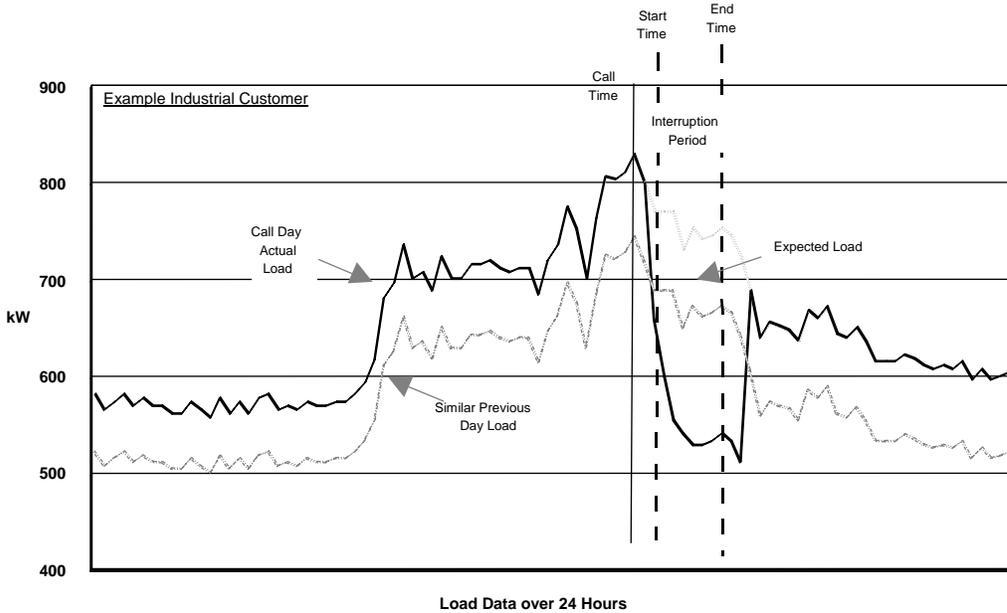
Load Response Program Agreement
 Appendix B

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day.
- Step 2: Obtain hourly load data for Similar Previous Day (baseline = average of last five business days without interruption)
- Step 3: Determine Adjustment Load = Load on Call Day for two hours prior to event - Load on Similar Previous Day for two hours prior to event
- Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day +/- Adjustment Load
- Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	2:00 pm	3:00 pm	4:00 pm	5:00 pm	6:00 pm	7:00 pm
		Two Hours Prior to Event		-< Interruption Period -> (2 hours) Hour 1 Hour 2			
Load on Call Day (kW)		8115395	30660654				
Load Similar Previous Day (kW)		731		670663			
Adjustment Load (kW)		81		+81	+81		
Expected Load (kW)				751744			
- Actual Load on Call Day (kW)				539530			
Actual Load Reduction (kW)				212214			

Committed kW Reduction Amount = 200 kW
 Zonal Price for Hour 1 = \$150/MWh
 Zonal Price for Hour 2 = \$200/MWh
 Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:
 Hour 1: (212 * 150) / 1000 = \$31.80
 Hour 2: (214 * 200) / 1000 = \$42.80
 Total Payment for 2-hour interruption period = \$74.60



Load Response Program Agreement Appendix C

R.I.P.U.C. No. 1155

THE NARRAGANSETT ELECTRIC COMPANY OPTIONAL ENHANCED METERING SERVICE

Availability of Service

Enhanced metering service under this provision is available to nonresidential customers receiving metered retail delivery service from Narragansett Electric Company (“Narragansett” or “the Company”). The availability of these services will be subject to the Company’s ability to render such service.

Service Option 1: Complete Service

Under this service option, the Company will provide equipment at the customer's facility which will allow for periodic readings of the customer's load through telephone lines. The Company will install, own and maintain the equipment in service. The customer, or its authorized representative, may receive the data through the optical port on the equipment or electronically. Narragansett will store load information on the meter for a period of 35 days and will read the meters daily.

Fees for Service Option 1:

The customer has the choice of a single payment or a monthly fee.

<u>Monthly</u>	<u>Single Payment</u>
\$12.45	\$267.86

Service Option 2: Pulse Service

Customers who wish to connect their own load recording equipment or equipment provided by their authorized representative to the Company's meter may elect this option. Narragansett will provide a pulse interface device through which the customer can access meter data. The customer, or its representative, must purchase, own and maintain a modem-equipped recording device in order to access meter pulses.

Fees for Service Option 2:

The customer has the choice of a single payment or a monthly fee.

<u>Monthly</u>	<u>Single Payment</u>
\$6.31	\$135.77

Additional Services

Customers who elect Service Option 1, Complete Service, may request additional services as described below. The fees for these services are in addition to the fees described below. The availability of these services will be subject to the Company's ability to render such service.

Power Outage Reporting

The Company will notify the customer's designee within one hour after the occurrence that the customer's power is out and provide confirmation that the customer outage has been logged into the Company outage reporting network. Notification may be by phone, fax, or e-mail.

Monthly Fee: \$22.00

Peak Consumption Notification (Demand Overload)

Under this service, the customer will select a threshold of kW or kVA demand. The Company will notify the customer or its designee within one hour after the threshold is exceeded. Notification may be by phone, fax, or e-mail.

Monthly Fee: \$26.00

Read on Appointment (Autoread)

Under this service, the customer may request specific dates and times for the Company to read its meter and the Company may bill the customer based on these readings.

Monthly Fee: \$33.00
Per occurrence: \$85.00

Read on Request

The Company will obtain meter readings within one hour of receiving a request from a participating customer. The Company may provide the meter reading to the customer's designee by phone, fax, or e-mail.

Monthly Fee:	\$33.00
Per Occurrence:	\$85.00

Advanced Meter Information Read on Demand

The Company will provide power quality data to the customer or its authorized designee by fax or e-mail attachment.

Monthly Fee:	\$33.00
Per Occurrence:	\$85.00

Effective: January 1, 2001

Load Response Program Agreement Appendix D

R.I.P.U.C. No. 1156

THE NARRAGANSETT ELECTRIC COMPANY

OPTIONAL INTERVAL DATA SERVICE

Availability of Service

Service is available under this tariff for nonresidential customers receiving service under 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 for Interval Data:

Initial request covering a single calendar year	No Charge
Subsequent request within same calendar year	
Single retail delivery service account	\$69.00
Additional retail delivery service account requested at same time	\$23.00 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	\$321.00
Additional retail delivery service account requested at the same time	\$275.00 per account

Effective: January 1, 2001

Attachment 5

ISO-NE Price Response Program

Super Low Tech Option



Load Response Program Agreement Real-Time Price Response Program Via Super Low Tech Option

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into between Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose Street, Providence, RI 02907 and _____ (“*Customer*”) who has an electric account(s) with Company at the address(es) and account(s) specified below:

Account #(s): _____

Customer’s total “*Committed kW reduction*” (kW available for interruption at above account(s)) under this Agreement is:

_____ kW

1. Program Summary

Through the Company, the Independent System Operator – New England (“*ISO-NE*”) is offering a Real-Time Price Response Program (“*Price Response Program*” or “*Program*”) in order to ensure reliability and help moderate wholesale electricity prices. This program will allow customers to monitor energy prices and voluntarily reduce energy consumption during certain periods determined by the ISO-NE. For this component of the Program, the ISO-NE has developed a “Super Low-Tech” Option which enables customers to participate without having to install any external data recording equipment. Participating customers will be required to be equipped with an hourly interval meter which will be read monthly by the Company.

2. Customer Eligibility

The Price Response Program via the Super Low Tech Option is available only to customers who meet all of the following criteria:

- (1) have a demand of 10 kW or greater;
- (2) are capable of curtailing a minimum of:
 - i. 100 kW for an individual account, or
 - ii. a minimum of 100 kW for a group of no more than five accounts of the same customer in the same ISO-NE load zone;
- (3) are available for interruption between 7 am and 6 pm on all non-holiday weekdays;
- (4) have hourly load metering in place; and
- (5) are not operating under a load curtailment program of a supplier or other party as of June 1, 2004.

By executing this Agreement, Customer acknowledges that it meets the above eligibility criteria and will continue to meet the criteria throughout the term of the Agreement.

3. Procedure for Requests to Reduce Load

As a participant in the Real-Time Price Response Program via the Super Low Tech Option, Customer will only be notified by the ISO-NE when they forecast the Real Time Zonal Price (“*Zonal Price*”) for the zone that they reside in to meet or exceed \$100/MWh in a given hour in that or the next day. Once that “window” has been opened, customers can voluntarily elect if and when to participate based on actual prices.

Customer shall provide a primary and secondary contact person’s name and information for notification by the ISO-NE of a load reduction opportunity on Appendix A. Customer will also be required to register this information on the ISO-NE’s List Serve to be notified directly by the ISO-NE of a load reduction opportunity. The ISO-NE will send a text message to an e-mail address or an e-mail addressable device (ie. pager or cell phone), notifying Customer when the window has been opened, as defined in the Program, for a curtailment opportunity. The notification message will be in substantially the same form as the following:

“ISO-NE is opening the interruption period for Price Response loads in (*ZONE) at (**TIME) on (**DATE) and ending at 1800 on (**DATE).”

The schedule for load reductions and the cessation of load reductions will be coordinated by the procedures of the ISO-NE. Company does not have control over the timing of a load reduction request and the length of each load reduction period.

4. Customer Baseline and Performance Measurement

The Customer Baseline (“*CB*”), as defined by ISO-NE, is the average hourly load, rounded to the nearest kWh, for each of the 24 hours in a day. The CB process does not begin until the registration process and meter data reporting requirements are complete. The CB used for computing performance for the Program shall consist of eligible weekdays (weekdays that are non-holidays and non-interruption days).

To calculate the Customer Baseline, ISO-NE will take the previous 5 weekdays, except for exclusion days, ending the midnight prior to the Program event day to compute the simple average for each hour. The CB will be adjusted (up or down) to reflect actual usage for the two hours preceding the interruption. (See example in Appendix B.) For Program purposes, ISO-NE will calculate the CB.

Performance for metering configurations that include load reduction is measured as the difference between the CB (adjusted) and the actual metered usage by hour during the event. The CB shall be adjusted to align the CB with the actual metered usage for two hours preceding the interruption for the event. However, if there are consecutive event days, the Baseline Adjustment used on the first day will be applied to the CB for the second and subsequent consecutive days. For On-Site Generation, either the generator output as metered or a combined measurement of the site load and on-site generation as metered will be used for performance as defined below.

For Customer's committing only the Load, performance for each shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer's subscribing for On-Site Generation and metered at the generator, performance for each hour shall be calculated as:

$$Ph = OGh$$

Where: Ph = performance for the hour
OGh = Metered on-site generation output for the hour

For Customer's subscribing for only On-Site Generation and metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = performance for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

For Customer's subscribing both On-Site Generation and the Load and participating in the same Program, performance for each hour shall be the net of On-Site Generation and Load as defined below:

Where On-Site Generation and Load are measured separately:

$$Ph = OGh = [CBh - AL]$$

Where On-Site Generation and Load are metered such that only the net load reduction value is available, performance for each hour shall be calculated as:

$$Ph = CBh - AL$$

Where: Ph = Performance for the hour
OGh = Metered on-site generator output for the hour
CBh = Customer Baseline for the hour
AL = Actual Load for the hour

5. Payments to Customer for Actual Interruptions

Customer will receive compensation for any committed and performed interruptions in which the ISO-NE projects and sends notification that the Zonal Price is expected to exceed \$100/MWh. The “*Calculated Reduction*” will be calculated by the ISO-NE settlement department by comparing CB to Customer’s actual load consumption during the interruption period.

Except for as specified below, for any requested and performed interruptions, Customer will receive an amount equal to the following for each hour of the interruption period:

$$[“\text{Calculated Reduction (kWh)}” * (\text{Zonal Price})/1000]$$

Payments made to Customer for actual interruptions will be for the minimum of \$100/MWh or the actual zonal price, whichever is greater.

Customer will receive their load reduction payments as a bill credit from Company within 120 days of Company receiving compensation from ISO-NE.

If there is any disagreement regarding the Calculated Reduction, the ISO-NE’s final determination of how much load reduction from Customer’s facility was actually achieved for payments under its Load Curtailment Rules shall control, even if Customer or Company disagrees with such determination. In no case will Company credit Customer with more or less Calculated Reduction than what is recognized by ISO-NE for payments under its rules.

6. Agreement Term

- (a) This Agreement shall remain in effect from the Effective Date through October 31, 2004.
- (b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.
- (c) Customer must provide Company five (5) business days prior written notice of its intent to terminate this Agreement.
- (d) Customer must remain in the selected ISO-NE program for the period of one year.

7. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to the Company, to: Lisa M. Morgera
Narragansett Electric Company
55 Bearfoot Road
Northboro, MA 01532
Phone: 508-421-7236
Fax: 508-421-7246

If to Customer, to: _____

8. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, RETX PRODUCTS OR SERVICES, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE RETX PRODUCTS AND RETX SERVICES, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY'S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

9. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party's reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

10. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load. The decision to call upon Customer is solely within the discretion of the ISO-NE.
- (c) If Customer has been a participant in Company's Temporary Interruptible Program ("*TIP*") in 2000, such participation shall be terminated upon execution of this Agreement.
- (d) If Customer has been a participant in Company's Load Response Program in 2001, 2002 and/or 2003, such participation shall be terminated upon execution of this Agreement.
- (e) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.
- (f) Customer authorizes Company to release Customer's load shape data or any other customer information reasonably necessary for the administration of this Program to the ISO-NE or any other party involved in the estimation of Customer's kWh reduction.
- (g) Company reserves the right to credit Customer's electric bill rather than send a check for payments under this Agreement.
- (h) In the event of a conflict between this Agreement and the Company's Terms and Conditions on file with the Commission from time to time, this Agreement shall control.
- (i) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

Narragansett Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____

**Load Response Customer Agreement
 Appendix A
 Customer Facility Survey**

Company / Facility Name: _____

Facility Address: _____

Hours of Operation: _____

Hours of Occupation: _____

NECO Account Manager: _____

ISO-NE Load Zone (found on NECO electric bill): _____

NX 11-C Number (to be provided by ISO-NE): _____

Contact Information: (Customer MUST provide the following information)

Facility Contact Name:		Phone #:	
------------------------	--	----------	--

Curtailment Contacts:

Primary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Secondary Name:		email address*:	
		Pager/Device*:	
		Phone #:	
Additional Name:		email address*:	
		Pager/Device*:	
		Phone #:	

* Email addressable pagers and devices are acceptable
 (Note: System allows for more than 3 contacts if needed)



Interruptible Capacity Questions:

How is the load reduction going to occur at your facility?

- Reduce/Cut Electric load
- Start Generation
- Reduce Load and Start Generation

****NOTE: If Customer indicates that it will start generation or use a combination of generation and load reduction for a Load Reduction event, Customer must present to the Company an air permit or written waiver issued by the state environmental regulator for the generating unit.**

If a generator is going to be started, please provide the following information:

- Fuel Type to be used:
- | | |
|--|--|
| <input type="checkbox"/> No. 2 Fuel Oil (Diesel) | <input type="checkbox"/> No. 1 Fuel Oil |
| <input type="checkbox"/> No. 3 Fuel Oil (Diesel) | <input type="checkbox"/> No. 4 Fuel Oil |
| <input type="checkbox"/> No. 5 Fuel Oil | <input type="checkbox"/> No. 6 Fuel Oil |
| <input type="checkbox"/> Natural Gas | <input type="checkbox"/> Liquefied Propane Gas |
| <input type="checkbox"/> Multifuel | <input type="checkbox"/> Propane |
| <input type="checkbox"/> Jet Fuel – Naphtha Type | <input type="checkbox"/> Motor Gasoline-Conventional |
| <input type="checkbox"/> Motor Gasoline-Reformulated | <input type="checkbox"/> Motor Gasoline-Fuel Ethanol |
| <input type="checkbox"/> Motor Gasoline-Oxygenated | <input type="checkbox"/> Gasoline |
| <input type="checkbox"/> Other (please provide: _____) | |

Fuel Characteristics (Sulfur Content percentage): _____%

How will fuel be measured and recorded?

Type of generation unit: Make: _____
 Model: _____
 In Service Years: _____

Size of the generation unit (Rating capacity of the unit): _____ kWh

Is the generating unit registered or permitted through State Department? Yes or No

DISCLAIMER: It is the responsibility of the Customer to comply with all Local, State, and Federal Air Emissions Regulations permits and/or regulations. Questions concerning compliance should be forwarded to the respective regulating authority.

Emission rates of the generating unit - in Lbs/kWh: (please use either from emissions testing or manufacturer documents if emissions test data not available)

- Emissions rate lbs/kW of Nitrogen Oxide (NOX): _____ lbs/kWh
- Emissions rate lbs/kW of Sulfur Dioxide (SO2): _____ lbs/kWh
- Emissions rate lbs/kW of Carbon Dioxide (CO2): _____ lbs/kWh
- Emissions rate lbs/kW of Carbon Monoxide (CO): _____ lbs/kWh
- If other emissions, please specify: _____

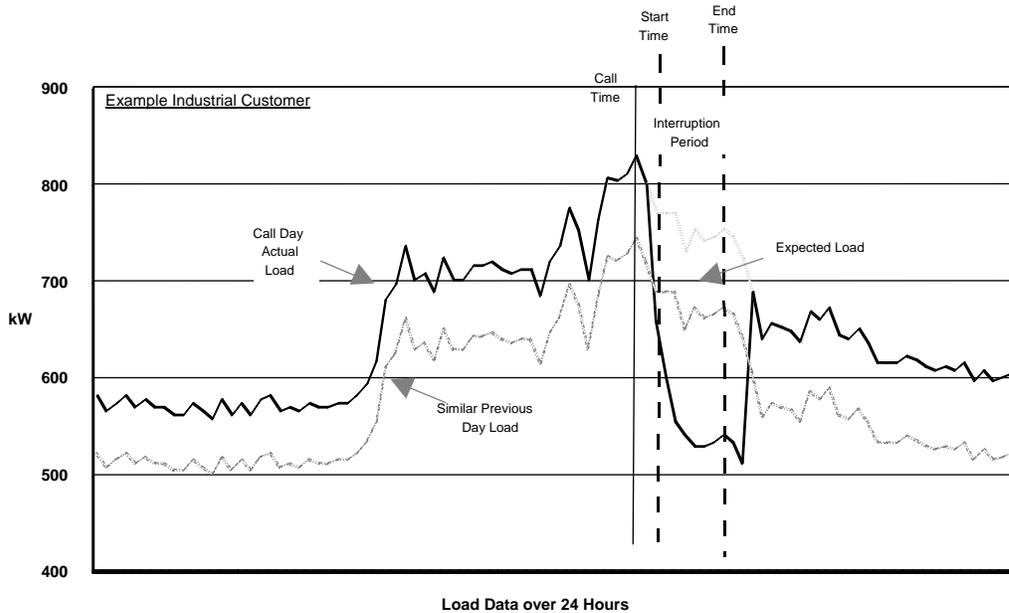
Load Response Program Agreement
 Appendix B

Sample Baseline and Credit Calculation

- Step 1: Obtain hourly load data for Call Day.
- Step 2: Obtain hourly load data for Similar Previous Day (baseline = average of last five business days without interruption)
- Step 3: Determine Adjustment Load = Load on Call Day for two hours prior to event - Load on Similar Previous Day for two hours prior to event
- Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day +/- Adjustment Load
- Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	2:00 pm	3:00 pm	4:00 pm	5:00 pm	6:00 pm	7:00 pm
			Start Time 3:00 pm		End time 5:00 pm		
		Two Hours Prior to Event		-< Interruption Period -> (2 hours) Hour 1 Hour 2			
Load on Call Day (kW)	81	15395	3066	0654			
Load Similar Previous Day (kW)		<u>731</u>		670663			
Adjustment Load (kW)		81		+81	+81		
Expected Load (kW)				751744			
- Actual Load on Call Day (kW)				539530			
Actual Load Reduction (kW)				212214			

Committed kW Reduction Amount = 200 kW
 Zonal Price for Hour 1 = \$150/MWh
 Zonal Price for Hour 2 = \$200/MWh
 Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:
 Hour 1: $(212 * 150) / 1000 = \$31.80$
 Hour 2: $(214 * 200) / 1000 = \$42.80$
 Total Payment for 2-hour interruption period = \$74.60



Attachment 6

2004 Summer Load Relief Program

Service Agreement

2004 Load Curtailment Program Agreement

This Agreement, dated _____, 2004 (“*Effective Date*”), is entered into by The Narragansett Electric Company (“*Company*”), with a principal address at 280 Melrose St., Providence, RI and _____ (“*Customer*”) who has an electric account with Company at the address and account specified below:

Account # _____

Customer’s “*Projected kW reduction*” (kW available for curtailment at above account) under this Agreement is: _____ kW

1. Program Summary

Company is offering a Load Curtailment Program (“*Program*”) in order to manage load at a targeted substation (“*Substation*”) to ensure reliability and help determine the feasibility of load management as a planning tool for infrastructure improvements. This program will allow customers to monitor their electric load and voluntarily reduce energy consumption during certain periods determined by Company.

2. Customer Eligibility

The Program is available only to customers who meet all of the following criteria:

- a) their electric load is fed from either the Pontiac Ave, Cranston or Lincoln St, Warwick substations;
- b) have a demand of 200 kW or greater;
- c) are capable of curtailing a minimum of 50 kW;
- d) are available for interruption between 10 am and 7 pm on all non-holiday weekdays; and
- e) have hourly load metering in place.

To the extent that there is sufficient Skytel paging network coverage, Company may replace the existing meter at Customer’s location with equipment that has real-time interrogation capabilities. Company shall pay or otherwise reimburse Customer the cost of this equipment during the term of this Agreement.

3. No Third Party Rights

Customer has no further right to use, sublicense, distribute, transfer or transmit Company’s services or otherwise permit the use of Company’s services by or for any third party.

4. Procedure for Requests to Reduce Load

As a participant in the Program, Company will notify Customer when Company foresees the need for a load curtailment event.

Customer shall provide a primary and secondary contact person's name and information for notification by Company of a load reduction opportunity on Appendix A. Company will send a message to the Primary Contact and/or Secondary Contact as per the contact information in Appendix A.

The schedule for load curtailment and the cessation of load curtailment will be coordinated by the procedures of Company.

5. Payments to Customer for Actual Interruptions

Customer will receive compensation for any committed and performed curtailments in which Company projects the load at the Substation. The "*Calculated Reduction*" will be determined by the metering equipment, by comparing Customer's baseline historical load profile to Customer's actual load consumption during the curtailment period. The baseline profile is determined by using the last 5 business days (which excludes holidays and shutdowns) without interruption and then adjusted to the actual usage for the two hours preceding the curtailment. (See example in Appendix B.)

For any requested and performed curtailment, Customer will receive an amount equal to the following for each hour of the curtailment period:

"Calculated Reduction (kWh)" * \$0.50

If there is any disagreement regarding the Calculated Reduction, Company's final determination of how much load reduction from Customer's facility was actually achieved for payments under its Load Curtailment Rules shall control. Customer will receive this load reduction credit within 60 days of the called event.

6. Agreement Term

(a) This Agreement shall remain in effect from the Effective Date through September 30, 2004, unless terminated by either party with thirty (30) days written notice.

(b) Any obligation by Company to make payments to Customer for past performance as of the termination date shall survive termination of the Agreement.

7. Notices

All notices and other communications required hereunder shall be made in writing and shall be deemed given as of the time of delivery or, in the case of a telecopied communication as of the time of confirmation, if delivered personally, telecopied (and confirmed), or sent by overnight courier (with proof of delivery) to the parties at the following addresses, or at such other address as a party shall specify by like notice:

If to Company, to: Tim Roughan
 The Narragansett Electric Company
 55 Bearfoot Road
 Northboro, MA 01532
 Phone: 508-421-7510
 Fax: 508-421-7010

If to Customer, to: _____

8. Limitation of Liability

IN NO EVENT SHALL COMPANY, ITS AFFILIATES, OR ITS (OR ITS AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SERVANTS, AND SHAREHOLDERS, BE LIABLE TO CUSTOMER OR TO ANY OTHER PARTY FOR ANY DIRECT, INDIRECT, RELIANCE, MULTIPLE, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR REVENUES, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, OR LOSS OF GOODWILL), CONNECTED WITH OR ARISING FROM THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE METERING EQUIPMENT, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE; PROVIDED HOWEVER, NOTHING SHALL LIMIT COMPANY'S OBLIGATION TO PAY FOR DEMAND REDUCTION AS PROVIDED HEREIN. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT FOR DAMAGES RELATING TO PHYSICAL INJURY OR PROPERTY DAMAGE.

9. Force Majeure

Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by fire, flood, unusually severe weather, explosion, riot, war, sabotage, or other similar causes as long as: 1) such events are beyond the party's reasonable efforts to prevent, avoid or mitigate; 2) said party uses every reasonable effort to mitigate; and 3) prompt written notice of such delay or suspension is given by such affected party to the other.

10. Confidentiality

Each party shall protect the information of the other party with the same degree of protection and care it uses to protect its own information of a similar nature and sensitivity, but in no event less than reasonable care.

11. Miscellaneous Provisions

- (a) This Agreement constitutes the entire Agreement between the Parties and supersedes all previous understandings, commitments or representations concerning the subject matter. No amendments or modifications to this Agreement may be made except in writing signed by both parties. If a final decision of a court of competent jurisdiction holds invalid any part or portion of this Agreement, such part or portion shall be modified to the extent strictly necessary (including, if necessary, deletion) to make such part or portion valid and enforceable, and such modified part or portion, together with the balance of the Agreement shall be valid and binding on the parties.
- (b) Company is under no obligation to call upon Customer to reduce its load.
- (c) If any of the provisions of this Agreement are inconsistent with obligations that Customer has under an electric power supply contract with a supplier, Customer has the obligation to notify Company of such inconsistencies.

- (d) Company reserves the right to credit Customer's electric bill rather than send a check for payments under this Agreement.
- (e) This Agreement shall be governed by the laws of the State of Rhode Island, without regard to the conflict of laws principles contained therein.
- (f) By executing this Agreement, Customer authorizes Company to enroll Customer in the Independent System Operator of New England's Price Response Program for summer 2004 participation. Company shall pay or otherwise reimburse to Customer any costs Customer is required to incur due to its participation in the Price Response Program.

Each Party has had its authorized representative execute this Agreement below.

Customer Name

The Narragansett Electric Company

By: _____
(please sign)

By: _____
(please sign)

By: _____
(please print)

By: _____
(please print)

Title: _____

Title: _____

Date: _____

Date: _____



**2004 Summer Load Relief Program Agreement
APPENDIX A**

Customer Questionnaire

Company Name: _____

Electric Account Number: _____

Facility Address: _____

Facility Phone Number (with A/C): _____

NECO Account Manager: _____

Facility Management

Facility Manager Name: _____

Phone Number: _____

Email address: _____

Who is your primary contact for facility access?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

Project Management

In order for the Company to provide effective implementation services and on-going support it is beneficial to have one primary contact within the facility, please provide the necessary contact information.

Project Manager Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Fax Number: _____

In the event of a curtailment opportunity from the Company, who is the primary contact for notification?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Who is your secondary contact?

Name: _____

Phone Number: _____

Email Address: _____

Pager Number: _____

Cell Phone Number: _____

Fax Number: _____

Please provide, in rank order with '1' being the most preferred and '2' being second, the method of notification.

Email Other E-mail Addressable Device (Pager, PDA, cell phone, etc.)

Contact Information:

Email Address: _____

Pager Address: _____

Device Address: _____

Interruptible Capacity Questions:

How is the load reduction going to occur at your facility?

- ___ Electric load reduced/cut
- ___ Generation started
- ___ Combination of load reduction and generation

If combination of both, give specifics on how to differentiate between the two:

If a generator is going to be started, please provide the following information:

Fuel Type to be used: ___ Diesel ___ Gasoline ___ Natural Gas
___ Other (please provide: _____)

Fuel Characteristics (sulfur content & Btu/lbs LHV/HHV):

How will fuel be measured and recorded?

Type of generation unit – make and model:

Approximate age of the generation unit: _____

Size of the generation unit (Rating capacity): _____ kW

Permit or registration status of generating unit (must include explanation if no environmental permit is required): _____

Emission rates of the generating unit (in Lbs/kWh or Lbs/MMBTU):
(please use either from emissions testing or manufacturer documents if emissions test data not available)

Emissions rate per hour of Nitrogen Oxide (NOX): _____

Emissions rate per hour of Sulfur Dioxide (SO2): _____

Emissions rate per hour of Carbon Dioxide (CO2): _____

Thank you for taking the time to complete this survey so that we have a better understanding of your needs, and can provide better service.

2004 Summer Load Relief Program

Appendix B

Sample Baseline and Credit Calculation

Step 1: Obtain hourly load data for Call Day.

Step 2: Obtain hourly load data for Similar Previous Day (average of last five business days without interruption)

Step 3: Determine Adjustment Load = Load on Call Day for hour prior to call time - Load on Similar Previous Day for two hours prior to call time

Step 4: For each interruption hour, calculate Expected Load = Load on Similar Previous Day + Adjustment Load

Step 5: For each interruption hour, calculate Load Reduction (LR) = Expected Load - Actual Load

	1:00 pm	Call Time 2:30 pm	Start Time 3:00 pm	4:00 pm	End time 5:00 pm	6:00 pm	7:00 pm
	Two Hours Prior to Interruption		-<Interruption Period-> (2 hours)				
			Hour 1	Hour 2			
Load on Call Day (kW)	811		539	530	654		
Load Similar Previous Day (kW)	<u>731</u>		670	663			
Adjustment Load (kW)	81		<u>+81</u>	<u>+81</u>			
Expected Load (kW)			751	744			
- Actual Load on Call Day (kW)			539	530			
Actual Load Reduction (kW)			212	214			

Committed kW Reduction Amount = 200 kW

Credit for Hour 1 = \$0.50/kWh

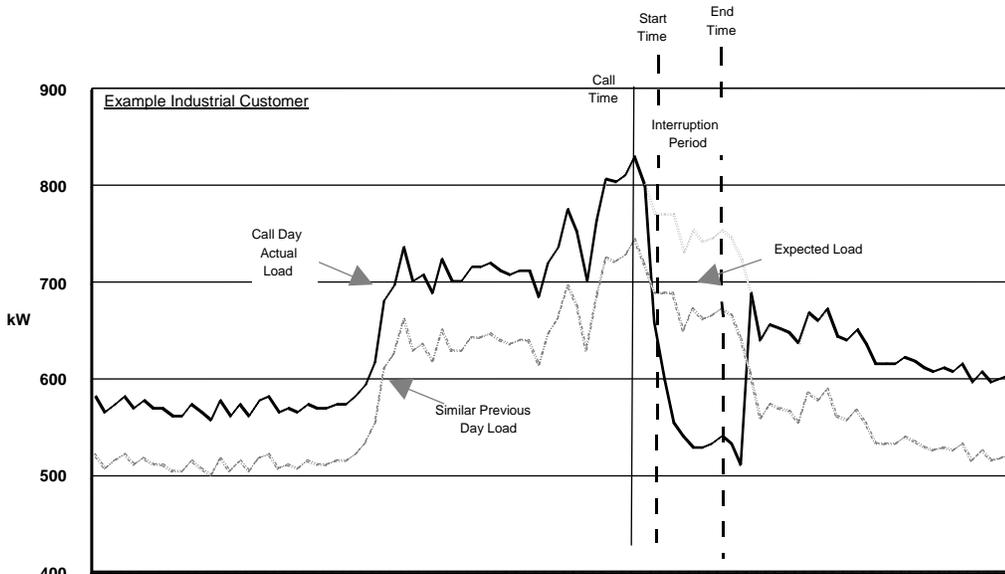
Credit for Hour 2 = \$0.50/kWh

Based on this example, the Customer would have fully complied with the interruption request, therefore would have been paid the following for their performed interruption:

Hour 1: (212 * \$0.50) = \$106

Hour 2: (214 * \$0.50) = \$107

Total Payment for 2-hour interruption period = \$213



Load Data over 24 Hours

Attachment 7

2004 Summer Load Relief Program

Proposed Tariff Provision

THE NARRAGANSETT ELECTRIC COMPANY

2004 SUMMER LOAD RELIEF PROGRAM PROVISION

AVAILABILITY

Participation in the Company's 2004 Summer Load Relief Program ("Program") is available to customers in the Warwick and Cranston areas fed from the Pontiac Ave, Cranston and Lincoln Ave., Warwick substations receiving retail delivery service under the Company's 200 kW Demand Rate G-32 or 3000 kW Demand Rate G-62. Eligible customers must have hourly metering at their facilities and be able to designate as Nominal Interruptible Load at least 50 kW.

A customer participating in the Program must execute a service agreement, subject to the Company's approval, which sets forth the specific requirements of the customer and the Company.

The Company reserves the right to limit participation in the Program.

DEFINITIONS

These definitions are based on the current ISO-NE definitions, as may be amended from time to time by the ISO-NE.

Baseline-to-Actual Adjustment: For the hour that is two hours prior to the Interruption, the difference between the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 80% of kilovolt-amperes, whichever is larger, and the Baseline Load.

Baseline Load: For each hour of the Interruption and for the hour that is two hours prior to the Interruption, the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 80% of kilovolt-amperes, whichever is larger, during each of the five business days (excluding holidays, shutdowns, and days having called interruptions) immediately prior to the Interruption.

Curtailed Load: For each hour of the Interruption, the difference between the Expected Load and the average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or 80% of kilovolt-amperes, whichever is larger. In no event shall the Curtailed Load exceed the Expected Load.

Expected Load: For each hour of the Interruption, the Baseline Load adjusted by the Baseline-to-Actual Adjustment.

Interruption: The peak period of any particular day of the year chosen by the Company or its designated agent during which the customer, after proper notification by the Company via the established communication system, agrees that it will curtail its load requirements provided by

THE NARRAGANSETT ELECTRIC COMPANY

2004 SUMMER LOAD RELIEF PROGRAM PROVISION

the Company by the level of Nominal Interruptible Load. Each Interruption will have specified hours.

Interruption Period Load: The average of the 15-minute integrated load, as measured by the Company's metering equipment in kilowatts or as 80% of kilovolt-amperes, whichever is larger, during the specified hours of the Interruption.

Nominal Interruptible Load: The amount of KW that the customer commits to curtail during the hours of Interruption. This quantity is determined prior to and will be fixed for the Program Period.

Peak Period: Non-holiday weekdays during the hours of 7 am and 11 pm.

Program Period: June 1 through September 30

RATES FOR RETAIL DELIVERY SERVICE

The customer shall be billed by and pay the Company for kWhs delivered to the customer during a billing month in accordance with the Company's Rate G-32 or Rate G-62, as may be amended from time to time.

METHOD OF NOTIFICATION

The Company will provide advance notice of an interruption to the customer by means of a message sent to a Primary Contact and/or Secondary Contact as per the contact information in Appendix A of the agreement. The minimum period of notification will be thirty (30) minutes. The customer must send return notification by means of an e-mail or telephone call to the Company to confirm that the customer will be participating in the Interruption.

CREDIT CALCULATION

The total Credit will be calculated for each hour of Interruption and will be determined by the following formula:

$$\text{Credit} = (\text{Credit per kWh}) \times (\text{each hour's Curtailed Load})$$

The Credit will be calculated individually for each hour of each Interruption called by the Company and will appear as a credit on the customer's monthly retail delivery service bill issued by the Company. The Credit will be applied to the customer's account within 60 days of the Interruption.

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CREDIT PER KWH

The Credit per kWh that the customer will earn for Curtailed Load during an Interruption called by the Company shall be \$0.50 per kWh.

TERM OF AGREEMENT

The agreement for service under these terms and conditions shall remain in effect until the first to occur of: (1) October 1, 2004; or (2) termination by the Company or the customer by the provision of a minimum of thirty (30) days advance written notice.

ENROLLMENT IN ISO-NE PROGRAM

The Customer will be enrolled in the appropriate ISO-NE program in addition to participating in this program. Any costs the customer is required to incur to participate in an ISO-NE program will be paid by the Company.

Effective: June 1, 2004