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July 17, 2019

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

RE: Request for Commission Staff Dispute Resolution Assistance Pursuant to Section 9.2(b) of The Narragansett Electric Company Standards for Connecting Distributed Generation, R.I.P.U.C. No. 2180

Dear Ms. Massaro:

The Narragansett Electric Company d/b/a National Grid (the Company), together with Energy Development Partners, LLC (EDP)¹, hereby requests assistance from the Rhode Island Public Utilities Commission (Commission) staff to resolve an interconnection dispute under The Narragansett Electric Company Standards for Connecting Distributed Generation, R.I.P.U.C. No. 2180 (Tariff) in accordance with Section 9.2(b) of the Tariff.

- **Background**

By letter dated March 21, 2019, EDP initiated dispute resolution under Section 9 of the Tariff related to two EDP-controlled projects known as Dry Bridge Solar and Exeter Renewables.² EDP's dispute relates to delays in the issuance of an executable Interconnection Service Agreements (ISA) for the projects due to ongoing review of the interconnection by Affected System operators. EDP disputed the Company's position that it is unable to issue an executable ISA for these projects until the full scope of all required System Modifications to the Company Electric Power System and/or modifications to the electric power system of the Affected System operator(s) are determined by a detailed transmission study prepared by the Affected System operator(s).

¹ EDP filed ISAs with the Company on or about September 11, 2017 on behalf of its projects submitted under Dry Bridge Solar 1, LLC, Dry Bridge Solar 2, LLC, Dry Bridge Solar 3, LLC, Dry Bridge Solar 4, LLC. EDP also filed an ISA with the Company on behalf of its project submitted under Exeter Renewables 1, LLC. The above referenced ISA applications are currently pending with the Company.

² EDP issued earlier written notices to the Company related to this dispute on February 1, 2019 and February 12, 2019. EDP formally requested initiation of Step 9.1 of the Dispute Resolution Process in its March 21, 2019 correspondence. EDP copied Commission legal counsel on EDP's February 12, 2019 and March 21, 2019 correspondence.

As a result of negotiations between the parties, the Company and EDP have developed a modified ISA suitable for execution pending completion of any Affected System operators' studies. The modified ISA, a copy of which is enclosed as Attachment A, is intended to: (1) acknowledge that the Interconnecting Customer's project requires additional analysis and/or study by Affected System operators; (2) memorialize that the Interconnecting Customer has requested issuance of the ISA prior to the completion of the Affected System operator(s) study; and (3) set forth the obligations and responsibilities of the Interconnecting Customer with respect to the Affected System operator(s) study and approvals, any modified or additional Company studies necessitated as a result of the Affected System operator(s) requirements, execution of any necessitated amendments to the ISA, and payment of all costs associated therewith.

While the Company and EDP have agreed to the terms of the modified ISA, the Company's position is that Commission approval of the ISA is required before it may be binding on the parties. Specifically, the Company believes PUC approval of the modified ISA is required because the ISA differs from the standard form ISA approved by the PUC by including language clarifying the scope and types of costs the customer is obligated to bear, and implicitly, clarifying the scope and types of costs the Company's remaining distribution customers may be required to bear in the context of interconnecting EDP's projects to the Company's electric power system. EDP's position is that the agreement need not be submitted to the PUC for approval and may be implemented without the PUC formally approving the balance of cost responsibility between EDP and the Company's distribution customers associated with interconnecting EDP's projects. Accordingly, the Company requests Commission staff assistance to resolve this matter pursuant to Section 9.2(b) of the Tariff. The Company has been authorized by EDP to represent that it supports seeking staff assistance to resolve this matter and requests that it be included in all communications and regulatory proceedings.

- **Rationale Supporting Development of Modified ISA**

In order to resolve the dispute initiated by EDP, the Company developed the modified ISA to clarify terms associated with: (1) the scope and types of costs EDP is obligated to bear in the context of the multi-level distribution company, transmission company and Affected System operator review of the EDP's projects required by the Tariff and ISO-New England procedures, and (2) limiting liability associated with Affected System operator review of potential transmission system impacts. With respect to cost responsibility of DG interconnecting customers in relation to potentially Affected Systems, Section 3.4 of the Tariff provides, in part:

Where there are other potentially Affected Systems, and no single Party is in a position to prepare an Impact Study covering all potentially Affected Systems, the Company will coordinate but not be responsible for the timing of any studies required to determine the impact of the interconnection request on other potentially Affected Systems. The Interconnecting Customer will be directly responsible to the potentially Affected System operators for all costs of any additional studies required to evaluate the impact of the interconnection on the potentially Affected Systems; provided, however, the Company may, in its sole discretion, elect to include the additional Affected System study costs in the Company's cost estimates, in which case the Company will detail the separate Affected System

study costs, and the Interconnecting Customer will pay such costs to the Company (and will be responsible for any and all actual costs thereof).

The existing form Tariff in Exhibit H of the Tariff, however, does not include any terms specifically addressing the Interconnecting Customer's responsibility to pay for the costs of additional studies or system upgrades required to address the impact of the interconnection on potentially Affected Systems.

The modified ISA addresses this gap by amending three provisions of the ISA: Section 2, Basic Understandings; Section 5, General Payment Terms; and Section 13, Limitation of Liability.

Section 2, Basic Understandings, was revised to clarify that the modified ISA applies to projects for which Affected System operator(s) analysis or studies are required, but those studies have not been completed, and, therefore, Affected System operator(s) system modifications and related costs are unknown. Section 2 provides that the Affected System operator(s) known at the time of executing the modified ISA to be evaluating the project will be identified in Attachment 3 (Cost of System Modifications and Payment Terms), but that Attachment 3 may be amended to identify additional Affected System operator(s) in the event that additional impacts to neighboring transmission or distribution EPS not under the control of the Company are identified during the course of analysis and/or study of the Interconnecting Customer's project.

Section 2 of the modified ISA also confirms that the Company is not responsible for the timing of any studies or actions of the Affected System operator(s) by adding the following language with respect to R.I. Gen. Laws Section 39-25.3-4.1(d):

By execution of this Agreement, Interconnecting Customer agrees to the extension of all System Modification construction timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d), such that all applicable System Modification timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d) shall commence after receipt of all completed Affected System operator(s) studies and approvals, any modified or additional Company studies necessitated as a result of the Affected System operator requirements, execution of any necessitated amendments to this Agreement, and payment of all costs in accordance with this Agreement.

Section 5 of the ISA, General Payment Terms, was revised to specify that the Interconnecting Customer shall be responsible for: (1) any Affected System operator(s) study costs necessary to evaluate the impact of the interconnection on the Affected Systems; (2) any resulting Affected System operator(s) costs for its requirements, including, without limitation, modifications to the electric power system of the Affected System operator(s) and operation and maintenance costs; and (3) any costs for modified or additional Company studies and/or System Modifications necessitated as a result of the Affected System operator requirements. The modified ISA also clarifies that the cost adjustment procedure set forth in paragraph 5.1 of the ISA only applies to the Company's System Modification costs detailed in the Impact Study, Detailed Study as necessary and/or ISRDG completed as of the date the modified ISA is issued.

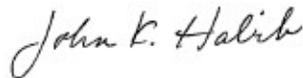
The Limitation of Liability clause under paragraph 13 was also amended to clarify that the Company is not responsible for any action or inaction on the part of the Affected System operator(s) and that the Company disclaims any and all responsibility and liability in connection with any Affected System operator(s) studies and system modifications.

Taken together, the above amendments to the modified ISA will ensure that any Affected System operator(s) study costs, system modification costs, and additional or modified Company study and/or System Modification costs necessary to interconnect the interconnecting customer's facility will be borne by the interconnecting customer, even if those costs are identified after execution of the modified ISA. This approach is consistent with the Commission's past findings that "the distributed generation interconnection process should balance the State's policy to encourage renewable distributed generation with the need to ensure a safe and reliable electric distribution system" by ensuring a fair and equitable allocation of incremental system modification costs that would not occur but for the generator. Petition of Wind Energy Development, LLC et al., Docket No. 4483, at 32 (2017).

The modified ISA is an appropriate resolution of EDP's dispute. If approved by the Commission, the Company will be able to issue an executable ISA to EDP for the Dry Bridge and Exeter Renewables projects while the Affected System studies related to those projects proceed in parallel. The Company and EDP representatives will be available to address any Commission questions regarding this matter at the Commission's convenience.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,



John K. Habib, Esq.

Enclosures

cc: Cindy Wilson-Frias, Esq.
Frank Epps, Energy Development Partners
Christian F. Capizzo, Esq.
Jeffrey H. Gladstone, Esq.

The Narragansett Electric Company
Standards for Connecting Distributed Generation

Exhibit H – Conditional Interconnection Service Agreement

1. Parties. This Conditional Interconnection Service Agreement (“Agreement”), dated as of _____ (“Effective Date”) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and _____, a _____ corporation with a principal place of business at _____ (“Interconnecting Customer”). (The Company and Interconnecting Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff which is hereby incorporated by reference.
2. Basic Understandings. This Agreement provides for parallel operation of an Interconnecting Customer’s Facility with the Company EPS to be installed and operated by the Interconnecting Customer at _____ (Facility name, address, and end-use customer account number, if applicable). A description of the Facility is located in Attachment 2. If the Interconnecting Customer is not the Customer, an Agreement between the Company and the Company’s Retail Customer, attached as Exhibit I to the Interconnection Tariff, must be signed and included as an Attachment to this Agreement.

All capitalized terms not defined in this Agreement shall have the meaning as defined in Section 1.2 of the Interconnection Tariff., including but not limited to the following terms:

“Affected System” shall mean any neighboring transmission or distribution EPS not under the control of the Company (e.g., a municipal utility, or other regulated distribution or transmission utility, which may include Affiliates, or ISO-NE, as defined herein).

“Company EPS” shall mean the electric power system owned, controlled or operated by the Company used to provide distribution service to its Customers.

“System Modifications” shall mean modifications or additions to Company facilities that are integrated with the Company EPS for the benefit of the Interconnecting Customer.

The Interconnecting Customer’s project requires additional analysis and/or study by Affected System operators (1) to evaluate the impact of this interconnection on the electric power system of the Affected System operator(s) and (2) to determine if there are any Affected System operator requirements or system modifications (and, if so, the estimated cost thereof) as a result. The Affected System operator(s) known at the time of executing this Agreement to be evaluating the Interconnecting Customer’s project are identified in Attachment 3. Attachment 3 may be amended to identify additional Affected System operator(s) in the event that additional impacts to neighboring transmission or distribution EPS not under the control of the Company are identified during the course of analysis and/or study of the Interconnecting Customer’s project. The Interconnecting Customer has requested that the Company issue this Agreement prior to the completion of the Affected System operator(s) study and/or Affected System operator(s) approval.

By execution of this Agreement, Interconnecting Customer agrees to the extension of all System Modification construction timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d), such that all applicable System Modification timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d) shall commence after receipt of all completed Affected System operator(s) studies and approvals, any modified or additional Company studies necessitated as a result of the Affected System operator requirements, execution of any necessitated amendments to this Agreement, and payment of all costs in accordance with this Agreement.

The Interconnecting Customer has the right to operate its Facility in parallel with the Company EPS immediately upon successful completion of the protective relays testing as witnessed by the Company and receipt of written notice from the Company that interconnection with the Company EPS is authorized (“Authorization Date”).

3. Term. This Agreement shall become effective as of the Effective Date. The Agreement shall continue in full force and effect until terminated pursuant to Section 4 of this Agreement.

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4. Termination.

4.1 This Agreement may be terminated under the following conditions.

4.1.1 The Parties agree in writing to terminate the Agreement.

4.1.2 The Interconnecting Customer may terminate this agreement at any time by providing sixty (60) days written notice to Company.

4.1.3 The Company may terminate this Agreement upon the occurrence of an Event of Default by the Interconnecting Customer as provided in Section 18 of this Agreement.

4.1.4 The Company may terminate this Agreement if the Interconnecting Customer either: (1) fails to energize the Facility within 12 months of the Authorization Date; or, (2) permanently abandons the Facility. Failure to operate the Facility for any consecutive 12 month period after the Authorization Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

4.1.5 The Company, upon 30 days notice, may terminate this Agreement if there are any changes in Commission regulations or state law that have a material adverse effect on the Company's ability to perform its obligations under the terms of this Agreement.

4.2 Survival of Obligations. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. Sections 5, 10, 12, 13, and 25 as it relates to disputes pending or for wrongful termination of this Agreement shall survive the termination of this Agreement.

4.3 Related Agreements. Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

5. General Payment Terms. The Interconnecting Customer shall be responsible for:
- a. ~~the Company's System Modification costs and payment terms identified in Attachment 3 of this Agreement and any approved cost increases pursuant to the terms of the Interconnection Tariff. If the system modifications exceed \$25,000, Attachment 3 will include a payment and construction schedule for both parties. Interconnecting Customers shall be directly responsible to, subject to Section 5.1 below;~~
 - b. ~~any Affected System operator for the(s) study costs of any system modifications necessary to evaluate the impact of the interconnection on the Affected Systems;~~
 - c. ~~any resulting Affected System operator(s) costs for its requirements, including, without limitation, modifications to the electric power system of the Affected System operator(s) and operation and maintenance costs;~~
 - d. ~~any costs for modified or additional Company studies and/or System Modifications necessitated as a result of the Affected System operator requirements.~~

With respect to any Affected System operator costs, the Interconnecting Customer shall be directly responsible to the Affected System operator provided, however, the Company may, in its sole discretion, elect to include the additional Affected System operator costs in the Company's agreements. Where the Company includes the Affected System operator(s) costs in its agreements, the costs will be collected by the Company and passed-through to the Affected System operator(s).

Attachment 3 shall include additional terms and conditions associated with the Company's and, if applicable, Affected System operator costs and payment terms. Upon the request of the Interconnecting Customer, the Company shall amend this Agreement and any attachments to incorporate the results of any final Impact Study, Detailed Study, ISRDG and/or ASO study.

5.1 Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any expected cost increase for work to be performed up to a total amount of

increase of 10% only. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the

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Company's notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate. The foregoing cost adjustment procedures shall only apply to the Company System Modification costs in Section 5(a) above, as detailed in the Impact Study, Detailed Study as necessary and/or ISRDG completed as of the date this Agreement is issued in executable form. The Interconnecting Customer shall be responsible for the actual Affected System operator costs, including operation and maintenance costs, and any additional Company costs necessitated as a result of the Affected System operator requirements, none of which shall be subject to any cost caps or limitations.

5.2 Final Accounting. The Company within ninety- (90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the Interconnection Service Agreement and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g. statutorily set study fees for the ISRDG), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within 45 days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this applicable agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty five (45) days of the provision of such final accounting report.

6. Operating Requirements

6.1 General Operating Requirements. Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EPS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of the Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference. Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EPS or if operation of the Facility could cause damage to Company EPS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EPS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating through the Company EPS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EPS, and outages on the Company EPS. If the Interconnecting Customer demonstrates that the Company EPS is adversely

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affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Agreement. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's EPS, personnel, and other persons from damage and injury.

6.4 Access. The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives. Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment. If necessary for the purposes of the Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under the Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information. The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EPS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.4 in the Interconnection Tariff.

7. Disconnection

7.1 Temporary Disconnection

7.1.1 Emergency Conditions. Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EPS or to the electric systems of others to which the Company EPS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EPS. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

7.1.2 Routine Maintenance, Construction and Repair. Company shall have the right to disconnect the Facility from the Company EPS when necessary for routine maintenance, construction and repairs on the Company EPS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the

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PCC, the Interconnecting Customer will provide a minimum of seven days notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.

7.1.3 Forced Outages. During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EPS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EPS without such notice.

7.1.4 Non-Emergency Adverse Operating Effects. The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EPS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.

7.1.5 Modification of the Facility. Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.

7.1.6 Re-connection. Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EPS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection. The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

7.2.1 The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

8. Metering. Metering of the output from the Facility shall be conducted pursuant to the terms of the Interconnection Tariff.
9. Assignment. Except as provided herein, Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company's written consent. Any assignment Interconnecting Customer purports to make without Company's written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, Company's consent will not be required for any assignment made by Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption.
10. Confidentiality. Company shall maintain confidentiality of all Interconnecting Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved by the Interconnecting Customer in the Simplified or Expedited/Standard Application form or otherwise.
11. Insurance Requirements.
 - 11.1 General Liability.

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- 11.1(a) In connection with Interconnecting Customer's performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
- i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than five (5) MW.
 - ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
 - iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
 - iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.
- 11.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. However, the Company recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.
- 11.1(c) Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.
- 11.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 11.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.
- 11.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.
- 11.1(f) In the event the State of Rhode Island and the Providence Plantations, or any other governmental subdivision thereof subject to the claims limits of R.I.G.L. Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of R.I.G.L. Chapter 9-31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of R.I.G.L. Chapter 9-31 by the Governmental Entity.
- 11.2 Insurer Requirements and Endorsements. All required insurance shall be carried by reputable insurers qualified to underwrite insurance in RI having a Best Rating of "A-". In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Company prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

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11.3 Evidence of Insurance. Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with the Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.4 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued, updated and submitted yearly to the following:

National Grid
Attention: Risk Management
300 Erie Blvd West
Syracuse, NY 13202

12. Indemnification. Except as precluded by the laws of the State of Rhode Island and the Providence Plantations, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.
13. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever. The Interconnecting Customer further understands and acknowledges that, consistent with Section 3.4(c) of the Interconnection Tariff, the Company will coordinate with the Affected System operator(s) to facilitate the interconnection of the Facility to the Company's EPS, however the Company does not represent the Affected System operator(s) and is not responsible for any action or inaction on the part of the Affected System operator(s). The Affected System operator(s) are not parties to this Agreement even though the Company may incorporate some Affected System operator(s) requirements herein. The Company disclaims any and all responsibility and liability in connection with any Affected System operator(s) studies and system modifications and the Interconnecting Customer hereby waives recourse against and releases the Company, its directors, officers, employees and agents from any and all losses, penalties, claims, demands, fees, damages or other liabilities arising from or attributable to, either directly or indirectly, such Affected System operator(s) studies and system modifications.
14. Amendments and Modifications. No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.
15. Permits and Approvals. Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the Facility. Prior to the construction

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of System Modifications the interconnecting customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the Facility the Customer will notify the Company that it has obtained all permits necessary.

Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.

16. Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event:

- a. that is beyond the reasonable control of the affected Party; and
- b. that the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lighting, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

17. Notices.

17.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company:	National Grid Attention: _____ Distributed Generation 40 Sylvan Road Waltham, MA 02451-1120 Phone: E-mail: Distributed.Generation@nationalgrid.com
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If to Interconnecting Customer:	Name: _____ Address: _____ City: _____ Phone: _____ E-mail: _____
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17.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.

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17.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

18. Default and Remedies

18.1 Defaults. Any one of the following shall constitute "An Event of Default."

- (i) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, and such failure shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party, or
- (ii) One of the Parties fails to comply with any other provision of this Agreement or breaches any representation or warranty in any material respect and fails to cure or remedy that default or breach within sixty (60) days after notice and written demand by the affected Party to cure the same or such longer period reasonably required to cure (not to exceed an additional 90 days unless otherwise mutually agreed upon), provided that the defaulting Party diligently continues to cure until such failure is fully cured.

18.2 Remedies. Upon the occurrence of an Event of Default, the affected Party may at its option, in addition to any remedies available under any other provision herein, do any, or any combination, as appropriate, of the following:

- a. Continue to perform and enforce this Agreement;
- b. Recover damages from the defaulting Party except as limited by this Agreement;
- c. By written notice to the defaulting Party terminate this Agreement;
- d. Pursue any other remedies it may have under this Agreement or under applicable law or in equity.

19. Entire Agreement. This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Tariff. Together the Agreement and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.

20. Supercedence. In the event of a conflict between this Agreement, the Interconnection Tariff, or the terms of any other tariff, Exhibit or Attachment incorporated by reference, the terms of the Interconnection Tariff, as the same may be amended from time to time, shall control. In the event that the Company files a revised tariff related to interconnection for Commission approval after the effective date of this Agreement, the Company shall, not later than the date of such filing, notify the signatories of this Agreement and provide them a copy of said filing.

21. Governing Law. This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island and the Providence Plantations without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

22. Non-waiver. None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

23. Counterparts. This Agreement may be signed in counterparts.

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- 24. No Third Party Beneficiaries. This Agreement is made solely for the benefit of the Parties hereto. Nothing in the Agreement shall be construed to create any rights in or duty to, or standard of care with respect to, or any liability to, any person not a party to this Agreement.
- 25. Dispute Resolution. Unless otherwise agreed by the Parties, all disputes arising under this Agreement shall be resolved pursuant to the Dispute Resolution Process set forth in the Interconnection Tariff.
- 26. Severability. If any clause, provision, or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section, shall not affect any of the remaining provisions herein.
- 27. Signatures. IN WITNESS WHEREOF, the Parties hereto have caused two (2) originals of this Agreement to be executed under seal by their duly authorized representatives.

	Interconnecting Customer		Narragansett Electric Company d/b/a National Grid
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____
Signature:	_____	Signature:	_____

The following attachments would be developed and included as appropriate for each specific Interconnection Service Agreement:

- Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling
- Attachment 2: Description of System Modifications
- Attachment 3: Costs of System Modifications and Payment Terms
- Attachment 4: Special Operating Requirements, if any
- Attachment 5: Agreement between the Company and the Company’s Retail Delivery Service Customer (to be signed by the Company’s retail delivery service customer where DG installation and interconnection will be placed, when the retail delivery service customer is not the owner and/or operator of the distributed generation facility -- see Exhibit I of the Interconnection Tariff)

Attachment 6: System Modifications Construction Schedule

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Exhibit H – Conditional Interconnection Service Agreement

1. Parties. This Conditional Interconnection Service Agreement (“Agreement”), dated as of _____ (“Effective Date”) is entered into, by and between _____, a Rhode Island corporation with a principal place of business at _____ (hereinafter referred to as the “Company”), and _____, a _____ corporation with a principal place of business at _____ (“Interconnecting Customer”). (The Company and Interconnecting Customer are collectively referred to as the “Parties”). Terms used herein without definition shall have the meanings set forth in Section 1.2 of the Interconnection Tariff which is hereby incorporated by reference.
2. Basic Understandings. This Agreement provides for parallel operation of an Interconnecting Customer’s Facility with the Company EPS to be installed and operated by the Interconnecting Customer at _____ (Facility name, address, and end-use customer account number, if applicable). A description of the Facility is located in Attachment 2. If the Interconnecting Customer is not the Customer, an Agreement between the Company and the Company’s Retail Customer, attached as Exhibit I to the Interconnection Tariff, must be signed and included as an Attachment to this Agreement.

All capitalized terms not defined in this Agreement shall have the meaning as defined in Section 1.2 of the Interconnection Tariff., including but not limited to the following terms:

“Affected System” shall mean any neighboring transmission or distribution EPS not under the control of the Company (e.g., a municipal utility, or other regulated distribution or transmission utility, which may include Affiliates, or ISO-NE, as defined herein).

“Company EPS” shall mean the electric power system owned, controlled or operated by the Company used to provide distribution service to its Customers.

“System Modifications” shall mean modifications or additions to Company facilities that are integrated with the Company EPS for the benefit of the Interconnecting Customer.

The Interconnecting Customer’s project requires additional analysis and/or study by Affected System operators (1) to evaluate the impact of this interconnection on the electric power system of the Affected System operator(s) and (2) to determine if there are any Affected System operator requirements or system modifications (and, if so, the estimated cost thereof) as a result. The Affected System operator(s) known at the time of executing this Agreement to be evaluating the Interconnecting Customer’s project are identified in Attachment 3. Attachment 3 may be amended to identify additional Affected System operator(s) in the event that additional impacts to neighboring transmission or distribution EPS not under the control of the Company are identified during the course of analysis and/or study of the Interconnecting Customer’s project. The Interconnecting Customer has requested that the Company issue this Agreement prior to the completion of the Affected System operator(s) study and/or Affected System operator(s) approval.

By execution of this Agreement, Interconnecting Customer agrees to the extension of all System Modification construction timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d), such that all applicable System Modification timelines set forth in R.I. Gen. Laws Section 39-26.3-4.1(d) shall commence after receipt of all completed Affected System operator(s) studies and approvals, any modified or additional Company studies necessitated as a result of the Affected System operator requirements, execution of any necessitated amendments to this Agreement, and payment of all costs in accordance with this Agreement.

The Interconnecting Customer has the right to operate its Facility in parallel with the Company EPS immediately upon successful completion of the protective relays testing as witnessed by the Company and receipt of written notice from the Company that interconnection with the Company EPS is authorized (“Authorization Date”).

3. Term. This Agreement shall become effective as of the Effective Date. The Agreement shall continue in full force and effect until terminated pursuant to Section 4 of this Agreement.

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4. Termination.

4.1 This Agreement may be terminated under the following conditions.

4.1.1 The Parties agree in writing to terminate the Agreement.

4.1.2 The Interconnecting Customer may terminate this agreement at any time by providing sixty (60) days written notice to Company.

4.1.3 The Company may terminate this Agreement upon the occurrence of an Event of Default by the Interconnecting Customer as provided in Section 18 of this Agreement.

4.1.4 The Company may terminate this Agreement if the Interconnecting Customer either: (1) fails to energize the Facility within 12 months of the Authorization Date; or, (2) permanently abandons the Facility. Failure to operate the Facility for any consecutive 12 month period after the Authorization Date shall constitute permanent abandonment unless otherwise agreed to in writing between the Parties.

4.1.5 The Company, upon 30 days notice, may terminate this Agreement if there are any changes in Commission regulations or state law that have a material adverse effect on the Company's ability to perform its obligations under the terms of this Agreement.

4.2 Survival of Obligations. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of termination. Sections 5, 10, 12, 13, and 25 as it relates to disputes pending or for wrongful termination of this Agreement shall survive the termination of this Agreement.

4.3 Related Agreements. Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

5. General Payment Terms. The Interconnecting Customer shall be responsible for:
- a. the Company's System Modification costs pursuant to the Interconnection Tariff, subject to Section 5.1 below;
 - b. any Affected System operator(s) study costs necessary to evaluate the impact of the interconnection on the Affected Systems;
 - c. any resulting Affected System operator(s) costs for its requirements, including, without limitation, modifications to the electric power system of the Affected System operator(s) and operation and maintenance costs;
 - d. any costs for modified or additional Company studies and/or System Modifications necessitated as a result of the Affected System operator requirements.

With respect to any Affected System operator costs, the Interconnecting Customer shall be directly responsible to the Affected System operator provided, however, the Company may, in its sole discretion, elect to include the additional Affected System operator costs in the Company's agreements. Where the Company includes the Affected System operator(s) costs in its agreements, the costs will be collected by the Company and passed-through to the Affected System operator(s).

Attachment 3 shall include additional terms and conditions associated with the Company's and, if applicable, Affected System operator costs and payment terms. Upon the request of the Interconnecting Customer, the Company shall amend this Agreement and any attachments to incorporate the results of any final Impact Study, Detailed Study, ISRDG and/or ASO study.

5.1 Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any expected cost increase for work to be performed up to a total amount of

increase of 10% only. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the 10%

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increase cap, or the Company will suspend the work and the corresponding agreement will terminate. The foregoing cost adjustment procedures shall only apply to the Company System Modification costs in Section 5(a) above, as detailed in the Impact Study, Detailed Study as necessary and/or ISRDG completed as of the date this Agreement is issued in executable form. The Interconnecting Customer shall be responsible for the actual Affected System operator costs, including operation and maintenance costs, and any additional Company costs necessitated as a result of the Affected System operator requirements, none of which shall be subject to any cost caps or limitations.

5.2 Final Accounting. The Company within ninety (90) business days after completion of the construction and installation of the System Modifications described in an attached exhibit to the Interconnection Service Agreement and all Company work orders have been closed, shall provide Interconnecting Customer with a final accounting report of any difference between the (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such System Modifications and for any Impact or Detailed Study performed by the Company, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications and studies. Costs that are statutorily-based shall not be subject to either a final accounting or reconciliation under this provision (e.g. statutorily set study fees for the ISRDG), but may be reconciled at any time only if the costs exceed the statutory fee, and the Company seeks to collect actual costs in accordance with the applicable statute. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement for the System Modifications and in the Impact and/or Detailed Study Agreements (as applicable) for the studies performed by the Company exceeds Interconnecting Customer's previous aggregate payments, the Company shall invoice Interconnecting Customer and Interconnecting Customer shall make payment to the Company within 45 days. To the extent that Interconnecting Customer's previous aggregate payments exceed Interconnecting Customer's cost responsibility under this applicable agreement, the Company shall refund to Interconnecting Customer an amount equal to the difference within forty five (45) days of the provision of such final accounting report.

6. Operating Requirements

6.1 General Operating Requirements. Interconnecting Customer shall operate and maintain the Facility in accordance with the applicable manufacturer's recommended maintenance schedule, in compliance with all aspects of the Company's Interconnection Tariff. The Interconnecting Customer will continue to comply with all applicable laws and requirements after interconnection has occurred. In the event the Company has reason to believe that the Interconnecting Customer's installation may be the source of problems on the Company EPS, the Company has the right to install monitoring equipment at a mutually agreed upon location to determine the source of the problems. If the Facility is determined to be the source of the problems, the Company may require disconnection as outlined in Section 7.0 of the Interconnection Tariff. The cost of this testing will be borne by the Company unless the Company demonstrates that the problem or problems are caused by the Facility or if the test was performed at the request of the Interconnecting Customer.

6.2 No Adverse Effects; Non-interference. Company shall notify Interconnecting Customer if there is evidence that the operation of the Facility could cause disruption or deterioration of service to other Customers served from the same Company EPS or if operation of the Facility could cause damage to Company EPS or Affected Systems. The deterioration of service could be, but is not limited to, harmonic injection in excess of IEEE Standard 1547-2003, as well as voltage fluctuations caused by large step changes in loading at the Facility. Each Party will notify the other of any emergency or hazardous condition or occurrence with its equipment or facilities which could affect safe operation of the other Party's equipment or facilities. Each Party shall use reasonable efforts to provide the other Party with advance notice of such conditions.

The Company will operate the EPS in such a manner so as to not unreasonably interfere with the operation of the Facility. The Interconnecting Customer will protect itself from normal disturbances propagating through the Company EPS, and such normal disturbances shall not constitute unreasonable interference unless the Company has deviated from Good Utility Practice. Examples of such disturbances could be, but are not limited to, single-phasing events, voltage sags from remote faults on the Company EPS, and outages on the Company EPS. If the Interconnecting Customer demonstrates that the Company EPS is adversely

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affecting the operation of the Facility and if the adverse effect is a result of a Company deviation from Good Utility Practice, the Company shall take appropriate action to eliminate the adverse effect.

6.3 Safe Operations and Maintenance. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facility or facilities that it now or hereafter may own unless otherwise specified in this Agreement. Each Party shall be responsible for the maintenance, repair and condition of its respective lines and appurtenances on their respective side of the PCC. The Company and the Interconnecting Customer shall each provide equipment on its respective side of the PCC that adequately protects the Company's EPS, personnel, and other persons from damage and injury.

6.4 Access. The Company shall have access to the disconnect switch of the Facility at all times.

6.4.1 Company and Interconnecting Customer Representatives. Each Party shall provide and update as necessary the telephone number that can be used at all times to allow either Party to report an emergency.

6.4.2 Company Right to Access Company-Owned Facilities and Equipment. If necessary for the purposes of the Interconnection Tariff and in the manner it describes, the Interconnecting Customer shall allow the Company access to the Company's equipment and the Company's facilities located on the Interconnecting Customer's or Customer's premises. To the extent that the Interconnecting Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Interconnecting Customer under the Interconnection Tariff, the Interconnecting Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

6.4.3 Right to Review Information. The Company shall have the right to review and obtain copies of Interconnecting Customer's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to Interconnecting Customer's Facility or its interconnection with the Company EPS. This information will be treated as customer-confidential and only used for the purposes of meeting the requirements of Section 4.2.4 in the Interconnection Tariff.

7. Disconnection

7.1 Temporary Disconnection

7.1.1 Emergency Conditions. Company shall have the right to immediately and temporarily disconnect the Facility without prior notification in cases where, in the reasonable judgment of Company, continuance of such service to Interconnecting Customer is imminently likely to (i) endanger persons or damage property or (ii) cause a material adverse effect on the integrity or security of, or damage to, Company EPS or to the electric systems of others to which the Company EPS is directly connected. Company shall notify Interconnecting Customer promptly of the emergency condition. Interconnecting Customer shall notify Company promptly when it becomes aware of an emergency condition that affects the Facility that may reasonably be expected to affect the Company EPS. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, or the expected effect on the operation of both Parties' facilities and operations, its anticipated duration and the necessary corrective action.

7.1.2 Routine Maintenance, Construction and Repair. Company shall have the right to disconnect the Facility from the Company EPS when necessary for routine maintenance, construction and repairs on the Company EPS. The Company shall provide the Interconnecting Customer with a minimum of seven calendar days planned outage notification consistent with the Company's planned outage notification protocols. If the Interconnecting Customer requests disconnection by the Company at the

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PCC, the Interconnecting Customer will provide a minimum of seven days notice to the Company. Any additional notification requirements will be specified by mutual agreement in the Interconnection Service Agreement. Company shall make an effort to schedule such curtailment or temporary disconnection with Interconnecting Customer.

7.1.3 Forced Outages. During any forced outage, Company shall have the right to suspend interconnection service to effect immediate repairs on the Company EPS; provided, however, Company shall use reasonable efforts to provide the Interconnecting Customer with prior notice. Where circumstances do not permit such prior notice to Interconnecting Customer, Company may interrupt Interconnection Service and disconnect the Facility from the Company EPS without such notice.

7.1.4 Non-Emergency Adverse Operating Effects. The Company may disconnect the Facility if the Facility is having an adverse operating effect on the Company EPS or other customers that is not an emergency, and the Interconnecting Customer fails to correct such adverse operating effect after written notice has been provided and a maximum of 45 days to correct such adverse operating effect has elapsed.

7.1.5 Modification of the Facility. Company shall notify Interconnecting Customer if there is evidence of a material modification to the Facility and shall have the right to immediately suspend interconnection service in cases where such material modification has been implemented without prior written authorization from the Company.

7.1.6 Re-connection. Any curtailment, reduction or disconnection shall continue only for so long as reasonably necessary. The Interconnecting Customer and the Company shall cooperate with each other to restore the Facility and the Company EPS, respectively, to their normal operating state as soon as reasonably practicable following the cessation or remedy of the event that led to the temporary disconnection.

7.2 Permanent Disconnection. The Interconnecting Customer has the right to permanently disconnect at any time with 30 days written notice to the Company.

7.2.1 The Company may permanently disconnect the Facility upon termination of the Interconnection Service Agreement in accordance with the terms thereof.

8. Metering. Metering of the output from the Facility shall be conducted pursuant to the terms of the Interconnection Tariff.
9. Assignment. Except as provided herein, Interconnecting Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without Company's written consent. Any assignment Interconnecting Customer purports to make without Company's written consent shall not be valid. Company shall not unreasonably withhold or delay its consent to Interconnecting Customer's assignment of this Agreement. Notwithstanding the above, Company's consent will not be required for any assignment made by Interconnecting Customer to an Affiliate or as collateral security in connection with a financing transaction. In all events, the Interconnecting Customer will not be relieved of its obligations under this Agreement unless, and until the assignee assumes in writing all obligations of this Agreement and notifies the Company of such assumption.
10. Confidentiality. Company shall maintain confidentiality of all Interconnecting Customer confidential and proprietary information except as otherwise required by applicable laws and regulations, the Interconnection Tariff, or as approved by the Interconnecting Customer in the Simplified or Expedited/Standard Application form or otherwise.
11. Insurance Requirements.
 - 11.1 General Liability.

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- 11.1(a) In connection with Interconnecting Customer's performance of its duties and obligations under the Interconnection Service Agreement, Interconnecting Customer shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
- i. Five million dollars (\$5,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than five (5) MW.
 - ii. Two million dollars (\$2,000,000) for each occurrence and five million dollars (\$5,000,000) in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one (1) MW and less than or equal to five (5) MW;
 - iii. One million dollars (\$1,000,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than one hundred (100) kW and less than or equal to one (1) MW;
 - iv. Five hundred thousand dollars (\$500,000) for each occurrence and in the aggregate if the Gross Nameplate Rating of Interconnecting Customer's Facility is greater than ten (10) kW and less than or equal to one hundred (100) kW, except for eligible net metered customers which are exempt from insurance requirements.
- 11.1(b) No insurance is required for a Facility with a Gross Nameplate Rating less than or equal to 50 kW that is eligible for net metering. However, the Company recommends that the Interconnecting Customer obtain adequate insurance to cover potential liabilities.
- 11.1(c) Any combination of General Liability and Umbrella/Excess Liability policy limits can be used to satisfy the limit requirements stated above.
- 11.1(d) The general liability insurance required to be purchased in this Section may be purchased for the direct benefit of the Company and shall respond to third party claims asserted against the Company (hereinafter known as "Owners Protective Liability"). Should this option be chosen, the requirement of Section 11.2(a) will not apply but the Owners Protective Liability policy will be purchased for the direct benefit of the Company and the Company will be designated as the primary and "Named Insured" under the policy.
- 11.1(e) The insurance hereunder is intended to provide coverage for the Company solely with respect to claims made by third parties against the Company.
- 11.1(f) In the event the State of Rhode Island and the Providence Plantations, or any other governmental subdivision thereof subject to the claims limits of R.I.G.L. Chapter 9-31 (hereinafter referred to as the "Governmental Entity") is the Interconnecting Customer, any insurance maintained by the Governmental Entity shall contain an endorsement that strictly prohibits the applicable insurance company from interposing the claims limits of R.I.G.L. Chapter 9-31 as a defense in either the adjustment of any claim, or in the defense of any lawsuit directly asserted against the insurer by the Company. Nothing herein is intended to constitute a waiver or indication of an intent to waive the protections of R.I.G.L. Chapter 9-31 by the Governmental Entity.
- 11.2 Insurer Requirements and Endorsements. All required insurance shall be carried by reputable insurers qualified to underwrite insurance in RI having a Best Rating of "A-". In addition, all insurance shall, (a) include Company as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Company shall not incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Company prior to cancellation, termination, or material change of such insurance; provided that to the extent the Interconnecting Customer is satisfying the requirements of subpart (e) of this paragraph by means of a presently existing insurance policy, the Interconnecting Customer shall only be required to make good faith efforts to satisfy that requirement and will assume the responsibility for notifying the Company as required above.

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11.3 Evidence of Insurance. Evidence of the insurance required shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Interconnecting Customer.

The Interconnecting Customer is responsible for providing the Company with evidence of insurance in compliance with the Interconnection Tariff on an annual basis.

Prior to the Company commencing work on System Modifications and annually thereafter, the Interconnecting Customer shall have its insurer furnish to the Company certificates of insurance evidencing the insurance coverage required above. The Interconnecting Customer shall notify and send to the Company a certificate of insurance for any policy written on a "claims-made" basis. The Interconnecting Customer will maintain extended reporting coverage for three years on all policies written on a "claims-made" basis.

In the event that an Owners Protective Liability policy is provided, the original policy shall be provided to the Company.

11.4 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued, updated and submitted yearly to the following:

National Grid
Attention: Risk Management
300 Erie Blvd West
Syracuse, NY 13202

12. Indemnification. Except as precluded by the laws of the State of Rhode Island and the Providence Plantations, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.
13. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever. The Interconnecting Customer further understands and acknowledges that, consistent with Section 3.4(c) of the Interconnection Tariff, the Company will coordinate with the Affected System operator(s) to facilitate the interconnection of the Facility to the Company's EPS, however the Company does not represent the Affected System operator(s) and is not responsible for any action or inaction on the part of the Affected System operator(s). The Affected System operator(s) are not parties to this Agreement even though the Company may incorporate some Affected System operator(s) requirements herein. The Company disclaims any and all responsibility and liability in connection with any Affected System operator(s) studies and system modifications and the Interconnecting Customer hereby waives recourse against and releases the Company, its directors, officers, employees and agents from any and all losses, penalties, claims, demands, fees, damages or other liabilities arising from or attributable to, either directly or indirectly, such Affected System operator(s) studies and system modifications.
14. Amendments and Modifications. No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.
15. Permits and Approvals. Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the Facility. Prior to the construction

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of System Modifications the interconnecting customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the Facility the Customer will notify the Company that it has obtained all permits necessary.

Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.

16. Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event:

- a. that is beyond the reasonable control of the affected Party; and
- b. that the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lighting, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

17. Notices.

17.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given on the date actually delivered in person or five (5) business days after being sent by certified mail, e-mail or fax with confirmation of receipt and original follow-up by mail, or any nationally-recognized delivery service with proof of delivery, postage prepaid, to the person specified below:

If to Company:	National Grid Attention: _____ Distributed Generation 40 Sylvan Road Waltham, MA 02451-1120 Phone: E-mail: Distributed.Generation@nationalgrid.com
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If to Interconnecting Customer:	Name: _____ Address: _____ City: _____ Phone: _____ E-mail: _____
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17.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.

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17.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

18. Default and Remedies

18.1 Defaults. Any one of the following shall constitute "An Event of Default."

- (i) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, and such failure shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party, or
- (ii) One of the Parties fails to comply with any other provision of this Agreement or breaches any representation or warranty in any material respect and fails to cure or remedy that default or breach within sixty (60) days after notice and written demand by the affected Party to cure the same or such longer period reasonably required to cure (not to exceed an additional 90 days unless otherwise mutually agreed upon), provided that the defaulting Party diligently continues to cure until such failure is fully cured.

18.2 Remedies. Upon the occurrence of an Event of Default, the affected Party may at its option, in addition to any remedies available under any other provision herein, do any, or any combination, as appropriate, of the following:

- a. Continue to perform and enforce this Agreement;
- b. Recover damages from the defaulting Party except as limited by this Agreement;
- c. By written notice to the defaulting Party terminate this Agreement;
- d. Pursue any other remedies it may have under this Agreement or under applicable law or in equity.

19. Entire Agreement. This Agreement, including any attachments or appendices, is entered into pursuant to the Interconnection Tariff. Together the Agreement and the Interconnection Tariff represent the entire understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each Party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the Company's Interconnection Tariff.

20. Supercedence. In the event of a conflict between this Agreement, the Interconnection Tariff, or the terms of any other tariff, Exhibit or Attachment incorporated by reference, the terms of the Interconnection Tariff, as the same may be amended from time to time, shall control. In the event that the Company files a revised tariff related to interconnection for Commission approval after the effective date of this Agreement, the Company shall, not later than the date of such filing, notify the signatories of this Agreement and provide them a copy of said filing.

21. Governing Law. This Agreement shall be interpreted, governed, and construed under the laws of the State of Rhode Island and the Providence Plantations without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

22. Non-waiver. None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

23. Counterparts. This Agreement may be signed in counterparts.

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- 24. No Third Party Beneficiaries. This Agreement is made solely for the benefit of the Parties hereto. Nothing in the Agreement shall be construed to create any rights in or duty to, or standard of care with respect to, or any liability to, any person not a party to this Agreement.
- 25. Dispute Resolution. Unless otherwise agreed by the Parties, all disputes arising under this Agreement shall be resolved pursuant to the Dispute Resolution Process set forth in the Interconnection Tariff.
- 26. Severability. If any clause, provision, or section of this Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section, shall not affect any of the remaining provisions herein.
- 27. Signatures. IN WITNESS WHEREOF, the Parties hereto have caused two (2) originals of this Agreement to be executed under seal by their duly authorized representatives.

Interconnecting Customer	Narragansett Electric Company d/b/a National Grid
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Signature: _____	Signature: _____

The following attachments would be developed and included as appropriate for each specific Interconnection Service Agreement:

- Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling
- Attachment 2: Description of System Modifications
- Attachment 3: Costs of System Modifications and Payment Terms
- Attachment 4: Special Operating Requirements, if any
- Attachment 5: Agreement between the Company and the Company’s Retail Delivery Service Customer (to be signed by the Company’s retail delivery service customer where DG installation and interconnection will be placed, when the retail delivery service customer is not the owner and/or operator of the distributed generation facility -- see Exhibit I of the Interconnection Tariff)
- Attachment 6: System Modifications Construction Schedule