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June 9, 2011

Luly E. Massaro, Division Clerk
RI Division of Public Utilities and Carriers
89 Jefferson Blvd.
Warwick, RI 02888

Re: Docket No. D-10-126 Complaint of Benjamin Riggs Related to Portsmouth Generating Facility

Dear Ms. Massaro:

I have enclosed four copies of the Brief by the Town of Portsmouth, Washington County Regional Planning Council, Church Community Housing Corporation, People's Power & Light and the Town of Westerly. The brief will be served to the service list by electronic mail on June 10, 2011.

Sincerely,

Seth H. Handy

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: COMPLAINT OF BENJAMIN RIGGS RELATING TO PORTSMOUTH GENERATING FACILITY	)	DOCKET NO. D-10-126

BRIEF
BY
THE TOWN OF PORTSMOUTH,
WASHINGTON COUNTY REGIONAL PLANNING COUNCIL,
CHURCH COMMUNITY HOUSING CORPORATION,
PEOPLE'S POWER & LIGHT, and THE TOWN OF WESTERLY

By its attorneys, the Town of Portsmouth (Portsmouth), the Washington County Regional Planning Council (WCRPC), Church Community Housing Corporation (CCHC), People's Power & Light (PP&L) and the Town of Westerly submit this brief in support of the dismissal of this proceeding. Dismissal is warranted for at least five reasons.

First, Portsmouth's wind turbine is a net metering facility, not a wholesale generator subject to the federal, avoided cost standard. Second, even if federal law were implicated here, the Division does not have jurisdiction to decide the constitutional questions raised in this investigation. Third, Portsmouth is a municipality that is exempt from the federal rate restrictions at issue here. Fourth, no evidence supports the proposition that Rhode Island's net metering rate exceeds avoided cost as defined by the Federal Energy Regulatory Commission (FERC). Finally, this proceeding should be summarily dismissed because Portsmouth relied in good faith on Rhode Island's net metering law and the net metering tariff proposed by National Grid and approved by the Rhode Island Public Utilities Commission (PUC) and it relied on National Grid guidance in planning and executing its project and any modifications to the net metering law that could result from this proceeding should only have

prospective application. For these reasons, the movants request dismissal of this investigation together with a declaration that the Portsmouth project is net metering in accordance with state law and *The Narragansett Electric Company Qualifying Facilities Power Purchase Rate*, RIPUC No. 2035 (Tariff).

FACTS

The Agreed Statement of Facts is incorporated herein by reference and attached as **Exhibit A.**

ARGUMENT

I. Portsmouth's Wind Turbine is Not a Wholesale Generator, but is a Net Metering Facility.

Portsmouth's wind turbine is a net metering facility, not a wholesale generator. Under Rhode Island's net metering law, Portsmouth is expressly authorized to receive renewable generation credits pursuant to the rates specified in subdivisions 39-26-2(19) and 39-26-2(22), without any on-site consumption limitation. R.I. Gen. Laws §39-26-6(g)(ii). The law very clearly allows Portsmouth to credit its generation toward one account or to choose whether to distribute the credits to up to ten accounts or receive a check for the value of the credits. Id. The Tariff makes it clear that "[t]he customer's usage and generation will be netted for a twelve-month period beginning on [stet] January of each year" and "[i]f the electricity generated by the NMF during a billing period exceeds the customer's kWh usage during the billing period, the customer shall be billed for zero kilowatt-hour usage and a renewable generation credit shall be applied to the customer's account." Tariff at §III(B)(1). "Customer" is never defined in any way that restricts Portsmouth from applying renewable energy credits to any of its accounts, whether they are on the same site of the generating source or elsewhere. In fact, both the net metering law and the Tariff allow Portsmouth to apply renewable generation credits to any account owned by the town in any location, or receive a check for the value of those credits. Id. Indeed, in PUC Docket 4079, National Grid's Data Request 1-4

admitted that "the net metering facility does not need to be physically located in the city or town or on NBC or state agency property to qualify for the 3.5 MW limit and the net metering credit." Rhode Island law simply provides no legal basis for National Grid or the Advocacy Section of the Division of Public Utilities and Carriers (Advocacy Section) to require consumption at the site of the generating source as a condition of net metering.

National Grid has acknowledged that Portsmouth is net metering. The Portsmouth project was initially designed to send energy directly to its own facilities and then receive renewable generation credits for any excess energy sent to the grid. On June 6, 2008, National Grid received an interconnection application from the Town of Portsmouth for installation of a 1.5 MW wind turbine at 120 Education Lane in Portsmouth, Rhode Island and assigned the application for review on June 10, 2008. The application site diagram identified that a primary metering pole was sought at the property line for the school grounds. On July 11, 2008 a site meeting was held between National Grid and the Town of Portsmouth to discuss the application and potential placement of poles to accommodate the primary metering proposal. On July 21, 2008 National Grid completed its initial review of the requested interconnection. On September 4, 2008, a site plan was issued to National Grid by Portsmouth's engineer indicating that a new primary metering pole would be installed inside the property line, before the riser pole for main electrical service to the high school. The new primary meter was to encompass three existing electric accounts, the high school, gym and tennis courts and the new wind turbine service, all of which would be behind the new primary meter. Locating the metering point from the existing three services inside the property line would have required that National Grid sell Portsmouth distribution assets for the customer side of the new primary metering point, including several poles, primary and secondary overhead wires, aerial and pad-mounted transformers, and primary underground cables.

After Rhode Island's net metering law was amended effective January 1, 2009, and the Tariff was updated accordingly, Portsmouth consulted with National Grid and resolved that Portsmouth need not distribute the energy it produced to one or more of its own facilities first, but could simplify the design to feed energy directly to the grid in exchange for the application of renewable generation credits against its energy consumption. On October 9, 2008, National Grid received a new electrical one-line diagram from the engineer working on the wind turbine project for the Town of Portsmouth. The new power one-line diagram changed the requested point of service. The diagram eliminated the new primary metering point and indicated that the service to the new wind turbine would be via a side-tap from existing National Grid overhead distribution facilities on the school property. The new side tap to the wind turbine was to have its own meter and be a separate electric account. This revised configuration enabled National Grid to maintain ownership and control of its distribution assets including poles, wires, transformers and cables.

On October 10, 2008, Arthur Larson, National Grid's coordinator on this project, responded to Portsmouth's engineering drawing eliminating the new primary metering point and indicating that the service to the new wind turbine would be via a side-tap from existing National Grid overhead distribution facilities on the school property with an email saying "In general – the concept proposed should not present any problems." Attached as **Exhibit B**. On October 14, 2008, the Town of Portsmouth confirmed that this new method of service was desired and National Grid designed the service and estimated the cost of electrical construction. In December 2008, Portsmouth and National Grid signed an interconnection agreement with a description of facilities which stated: "Customer intends to export power under the net metering provisions set forth in Rhode Island General Law (R.I.G.L. Title 39, Chapter 26)." Attached as **Exhibit C**. On February 13, 2009, Portsmouth and National Grid signed the form agreement provided in Schedule B of the tariff

National Grid filed with the RIPUC for the implementation of Rhode Island's net metering law (RIPUC No. 2010-A), acknowledging the intent to credit the renewable generation credits from its wind turbine to five Portsmouth accounts. Attached as **Exhibit D**. The new service to the wind turbine was connected on February 19, 2009. Relay protection testing was conducted, and the Town of Portsmouth Wind Turbine came on-line and began commercial operation on March 18, 2009. Neither National Grid nor anyone else ever questioned whether Portsmouth would be net metering its wind turbine at any point during project development or before this complaint.

The net metering law and the Tariff authorize the simple issuance of a check for renewable generation credits by stating that "[u]nless otherwise requested by the customer, the customer shall be compensated monthly by a check from the Company for the Renewable Generation Credits." R.I. Gen. Laws §39-26-6(g)(ii)(C); Tariff at sheet 6. The net metering statute was amended, at the suggestion of the PUC, to mandate that National Grid provide the option of receiving a check or credit to customer accounts as compensation for renewable generation credits. As contemplated by Rhode Island law, the utility acts as a billing agent, issuing a check for administrative convenience rather than offsetting Portsmouth's retail accounts. National Grid agreed to amend Portsmouth's Schedule B form to effectuate the accounting for renewable generation credits by check. Attached as **Exhibit E**. National Grid sent Portsmouth a letter on November 2, 2009, indicating that Portsmouth could either carry its renewable generation credits forward as a credit against its account for a one year billing cycle or receive a check for the renewable energy credits subject to any previous charges. Attached as **Exhibit F**. Rhode Island law permits the issuance of a check for administrative convenience, and there is no legal justification to override state law and deny a utility and a town such an administrative convenience.

Given this clarity regarding the fact that Portsmouth is net metering under Rhode Island law, PURPA rates do not apply to its project. FERC precedent is clear that federal law does not preempt state net metering programs. MidAmerican Energy Co., 94 FERC ¶61,340 at 5-6 (2001)(net billing arrangements are left to state regulatory authorities); Standardization of Generator Interconnection Agreements and Procedures, 106 FERC ¶61,220 at 744 (2004) ("net metering allows a retail electric customer to produce and sell power onto the Transmission System without being subject to the Commission's jurisdiction"). It is up to Rhode Island to administer its net metering program and it has decided to do so in a way that permits entities like Portsmouth to receive a check for renewable generation credits that would otherwise be applied against consumption at its own accounts. It is inappropriate and unlawful for National Grid and the Advocacy Section to invoke PURPA, a law designed to encourage development of renewable energy, in an effort to obstruct Portsmouth's ability to self-supply renewable energy through netting.

Moreover, even if the Division did have to look to federal law to resolve whether Portsmouth is a wholesale generator or is net metering, Portsmouth is not a wholesale generator by federal definition. FERC jurisdiction is limited to wholesale generators, those who sell power to utilities for resale. 16 U.S.C. §§ 824, 824d, 824e (2006); e.g., Mississippi Power & Light Co. v. Mississippi ex rel. Moore, 487 U.S. 354 (1988). As long as a customer is a net consumer of electricity over a defined billing period, it is net metering and not engaged in wholesale sales subject to federal law. MidAmerican, 94 FERC at p. 5 ("there is no sale (for end use or otherwise) between two different parties when one party is using its own generating resources for the purpose of self-supply of station power, and accounting for such usage through the practice of netting."); SunEdison, 129 FERC ¶61,146 at ¶18 (2009)("the Commission does not assert jurisdiction when the end-use customer that is also the owner of the generator receives a credit against its retail power purchases from the selling

utility").[1] There can be no dispute that Portsmouth is a net consumer of electricity. Its wind turbine does not produce more energy than Portsmouth consumes. From April 2009 through March 2010 Portsmouth's wind generating facility had a total output of 3,712,800 kWhs. From April 2009 through March 2010, Portsmouth consumed 3,972,170 kWhs at more than forty accounts for Portsmouth, including the Portsmouth School Department accounts. From March 2010 through February 2011, Portsmouth's wind generating facility had a total output of 2,699,179 kWh. From March 2010 through February 2011, Portsmouth consumed approximately 3,971,582kWh of electricity at more than forty accounts for Portsmouth, including the Portsmouth School Department accounts. Therefore, Portsmouth is not a wholesale generator but is self-supplying or "netting" by federal definition.

FERC precedent also makes it clear that a net metering customer need not consume all of the energy it generates on the site of the generating facility. In PJM Interconnection, LLC, FERC was faced with the question of whether a self-supplying generator that used off-site generating facilities to self-supply its power needs was a wholesale generator subject to federal law. 94 FERC 61,251 (2001). FERC concluded that "[t]he parties have not cited, and we are not aware of, an instance in which we have treated the self-supply of station power through netting as a sale. Also, we are not persuaded that any company is "selling itself" station power when its generators self-supply station power, through either on-site or remote facilities. . . Thus, when a generator self-supplies its station power requirements and accounts for station power by netting its requirements against gross output, there is no sale (for end use or otherwise) in the first instance." Id. at pp. 20 - 21. The location of the generating facility and the place of consumption are irrelevant as long as Portsmouth consumes more energy than it generates.

[1] National Grid presumably knows this well because its Tariff contemplates netting generation versus consumption over a one year billing period. Tariff at Sheet 6.

The Advocacy Section's invocation of California Public Utilities Comm., 132 FERC ¶61,047 (2010)("CPUC 1") and Connecticut Power and Light, 71 FERC ¶61,035, 61,153 (1995) in support of the proposition that Portsmouth cannot receive more than an avoided cost rate is inappropriate. Advocacy memo at pp. 9-10. Even the quotes from these cases make it clear that they address "wholesale rates" – the rate applied to power that is sold for resale. CPUC 1 at ¶¶64, 70 (CPUC may not set rates for the sale for resale of energy and capacity by a QF that exceeds the purchasing utility's avoided cost); Connecticut Power & Light at p. 8 (states cannot require rates that exceed avoided cost for QF sales at wholesale). There is no sale for resale where Portsmouth simply credits energy production against its greater energy consumption. As long as Portsmouth consumes more energy than it generates and is credited for, it is not a wholesale generator as defined and regulated by federal law.

II. The Division Does Not Have Jurisdiction Over Constitutional Questions Raised in This Investigation.

Even if federal law were properly put in question in this proceeding, the Division would not have jurisdiction to decide the constitutional question presented by National Grid and the Advocacy Section. Administrative agencies do not have jurisdiction to determine the constitutionality of statutes. Peoples Liquor Warehouse v. Dept. of Business Regulation, 2007 Super LEXIS 78, *5 (R.I.Super. May 21, 2007) ("the Hearing Officer declined to rule on the Appellants constitutional claims because she recognized that an administrative agency of the executive branch of government cannot determine the constitutionality of a statute at issue"). Rhode Island law is consistent with federal law and other jurisdictions on this point. See e.g., Thunder Basin Coal Co. v. Reich, 510 U.S. 200, 215 (1994) (adjudication of constitutional enactments generally thought to be beyond the jurisdiction of administrative agencies); Fullerton v. Adm'r Unemployment Compensation Act, 280 Conn. 745, 759 (2006) (well established that claims regarding the constitutionality of legislative

enactments are beyond the jurisdiction of administrative agencies); Westover v. Village of Barton Elec. Dept., 543 A.2d 698, 699 (VT. 1988). The Division would be overreaching the bounds of its jurisdiction if it ruled on constitutional questions it is asked to determine in this docket.

Here the Division is asked to take jurisdiction over the constitutional question of whether Rhode Island's net metering statute violates the Supremacy Clause and preemption powers of our federal government. In National Grid's response to the Division's data request number 1-5(c), it alleges that:

> Since the Rhode Island net metering statute would be unconstitutional to read it in such a manner as to allow self-standing generating facilities to sell power at a rate that is greater than the electric distribution company's avoided cost, it is reasonable to interpret the statute more narrowly so as to be consistent with federal law. To avoid constitutional issues, Rhode Island law would not permit a self-standing generator with no material on-site load to be net metered and receive credits at a rate that is higher than the utilities avoided cost.

In its findings, the Advocacy Section repeats National Grid's fundamental conclusion that "the Rhode Island statute should be interpreted more narrowly to avoid constitutional issues." Advocacy Section Memorandum at p. 13. The Division does not have jurisdiction to determine whether a plain reading of Rhode Island's net metering statute, that allows net metering generators like Portsmouth to receive a check for the renewable generation credits generated from its wind turbine and applied against their consumption of energy, violates the Supremacy Clause of the United States Constitution. Net metering is a state-created, legislatively mandated program and the Division may only act in accordance with the law as enacted, enforcing its administrative procedure for netting.

Moreover, if the Division were to address the constitutional preemption issue raised here, it would be bound to read the Rhode Island net metering statute in such a way as to be consistent with the constitution unless there was no way of doing so. Even a court would "not pass on the constitutionality of [a statute] if a construction of the statute is fairly possible by which the question

may be avoided." Donahue v. R.I. Dept. of Mental Health, Retardation and Hospitals, 632 F.Supp. 1456 (D.R.I. 1986) *citing* United States v. Clark, 445 U.S. 23, 27 (1980); Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 348 (1936) (Brandeis, J., concurring). As argued herein, there is clearly no need to construe Rhode Island's net metering statute in such a way as to violate either federal law or the United States Constitution. Therefore, the Division should avoid the constitutional question by confirming a proper construction of that statute.

III. Portsmouth is exempt from the Federal Power Act and the Avoided Cost Restriction Under PURPA.

The Division's decision to limit the scope of this proceeding only to the Riggs complaint and the facts related to the Portsmouth wind turbine make it ripe for dismissal. Even if Portsmouth were a wholesale generator by federal definition, it would not be accountable to federal rate restrictions because it is a municipality that is exempt from the Federal Power Act and PURPA's rate restrictions. Section 201(f) of the Federal Power Act says that:

> No provision in this subchapter shall apply to, or be deemed to include, the United States, a State or any political subdivision of a State. . .

16 U.S.C. §824(f) (2005). FERC decisions are clear that rates for sales from states or their subdivisions are not within its authority and not subject to its regulation because they are not rates for Qualified Facility sales at wholesale under PURPA. Connecticut Light and Power Co., 70 FERC ¶61,012 at 19 (1995); Midwest Power Systems, Inc., 78 FERC 61,067 at 5 (1997); CPUC 1, 132 FERC 61,047 at ¶71 (federal preemption of the CPUC's AB 1613 program does not apply to public agency sellers that are exempt from Commission jurisdiction under section 201(f) of the FPA). The Federal Power Act and PURPA cannot be invoked to nullify or reduce the credit made available to municipalities for their self supply of power pursuant to Rhode Island law.

IV. Portsmouth's Rate Does not Exceed Avoided Cost.

As set out above, pursuant to federal law, Portsmouth is not subject to avoided cost rates as long as it is net metering; generating less energy than it consumes. If Portsmouth were generating more energy than it consumed, it would still be exempt from the FPA and PURPA's avoided cost restrictions. However, for the sake of clarification and to assist the Division in this investigation, even if Portsmouth was subject to federal pricing standards for excess energy it generated (beyond its consumption), neither the Advocacy Section nor National Grid present any evidence that supports their conclusions that Portsmouth's rate exceeds avoided cost.

FERC has recently made it clear that, in these circumstances, avoided cost must be defined according to the characteristics of the generating source.

> Thus, under *SoCal Edison*, if a state required a utility to purchase 10 percent of its energy needs from renewable resources, then a natural gas-fired unit, for example, would not be a source "able to sell" to that utility for the specified renewable resources segment of the utility's energy needs, and thus would not be relevant to determining avoided costs for that segment of the utility's energy needs. Stated more generally, *SoCal Edison* supports the proposition that, where a state requires a utility to procure a certain percentage from generators with certain characteristics, generators with those characteristics constitute the sources that are relevant to the determination of the utility's avoided cost for that procurement requirement.

California Public Utilities Commission, 133 FERC ¶61,059 at pp. 13-14 (Oct. 21, 2010).[2] Rhode Island law and policy clearly requires that our utilities purchase energy from renewable resources. R.I. Gen. Laws §§39-26-4 (utilities must obtain three percent of electricity sold at retail from renewable resources); 39-26.1-3 (requiring utilities to enter long-term contracts for renewable energy). In fact, Rhode Island's net metering statute requires the utility to honor renewable generation credits from a class of renewable energy facilities at a statutory rate, thereby establishing a generating class with specific characteristics and a rate associated with that class. R.I. Gen. Laws §39-26-6(g). Nevertheless, the Advocacy Section and National Grid apparently and wrongly rely on

[2] Both National Grid and the Advocacy Section relied on a prior CPUC decision from FERC in their memos that initiated this proceeding without mentioning this subsequent, dispositive guidance on the definition of avoided cost.

traditional energy sources as the basis for their conclusion that Rhode Island's net metering rate exceeds avoided cost.

Neither the Advocacy Section nor National Grid have presented any evidence that would support a finding that the rate established by Rhode Island's net metering law and endorsed by the Tariff exceeds rates paid for power from generators with similar characteristics. In CPUC 1, FERC rightly refused to rule a rate inconsistent with avoided cost in the absence of such evidence. CPUC 1 at ¶68. In the absence of any conclusive evidence that this rate definitively exceeds avoided cost, the rate must stand until a proper administrative proceeding proves the rate inconsistent with the avoided cost standard.

V. Any Rate Impact Must Only be Prospective and Would Have to be Imposed Through A RIPUC Docket Proceeding.

Given the Division's decision to restrict the scope of this docket to Portsmouth's wind turbine, there is no longer any basis for continuing the investigation because there would be no justification for applying any result of this proceeding in any way so as to compromise the value of the renewable generation credit Portsmouth receives for its power. National Grid has no authority to develop and impose new policies requiring on-site consumption of any portion of the power generated from an eligible net metering facility without legislative change and PUC approval. Rhode Island's net metering law simply mandates that National Grid purchase renewable generation credits from eligible net metering facilities without requiring on-site consumption. National Grid has no authority to develop new policies that are inconsistent with the clear intent of the Rhode Island legislature and the Tariff. Moreover, if National Grid were to consider adopting such a new policy, it could only do so by amending state law and the Tariff.

Any ruling against Portsmouth would violate the filed rate doctrine. That doctrine recognizes "that the right to a reasonable rate is the right to the rate which the Commission files or fixes, and that, except for review of the Commission's orders, the court can assume no right to a different one on the ground that, in its opinion, it is the only or the more reasonable one." Nantahala Power & Light v. Thornberg, 476 U.S. 953, 963 (1986) (citing Montana-Dakota Utilities Co. v. Northwestern Public Service Co., 341 U.S. 246, 251-2 (1951); National Grid Elec. Co. v. Burke, 381 A.2d 1358 (R.I. 1977) ("It is a fundamental rule that utility rates are exclusively prospective in nature"). The filed rate doctrine prohibits the imposition of retroactive rate impact on a project that was developed in reliance on rates set by tariff. If National Grid and the Advocacy Section want to propose a revised rate they must seek and achieve legislative reform and then rate reform at the PUC, applying any resulting rate adjustments prospectively.

FERC precedent over the last fifteen years has been entirely clear that its rate findings are to be applied prospectively and not retroactively to the impairment of existing or planned projects. Midwest Power Systems, Inc., 78 FERC ¶61,067 at 7 (FERC not inclined to upset expectations of parties and lenders); Connecticut Light and Power, 70 FERC ¶61,012 at 16-17 (will not invalidate existing rates where the avoided cost issue could have been raised earlier). FERC follows this policy even when it determines that contracted rates are beyond the state's regulatory authority or were set in violation of PURPA or FERC regulations implementing PURPA. See e.g., Midwest. There are excellent and obvious policy reasons not to apply rate decisions retroactively, including FERC's conclusion that "The appropriate time to challenge a state-imposed rate is up to or at the time the contract is signed, not several years into a contract which heretofore has been satisfactory to both parties." Connecticut, 70 FERC ¶61,012 at 17; Greenwood ex rel. Estate of Greenwood v. N.H.

Public Utilities Comm'n, 527 F.3d 8, 15 (1st Cir. 2008). The Division must follow the great weight of precedent in this proceeding.

It would be particularly egregious to penalize Portsmouth for good faith reliance on the law, the Tariff and National Grid's guidance. Portsmouth had every reason to rely on the net metering rate established by the Rhode Island legislature and endorsed by the Tariff. Portsmouth initially planned to put their wind turbines behind the meter, but due to changes in the net metering law and consultations with National Grid, it was determined that it would be much easier to be compensated for renewable generation credits by check rather than distribute their energy to multiple town accounts. There is no justification for the Division to punish Portsmouth for being pioneers in responding to our legislature's call for net metered renewable energy projects and executing its projects in conformity with the existing law, Tariff and guidance received from National Grid during project development.

Indeed, there are many renewable energy projects that are currently in planning and relying on the rate and mechanisms developed in our net metering law and tariff in following Portsmouth's example. It is unjustly prejudicial to impede those plans by seeking to cut back the credit such projects planned to receive and should expect for their generation of self-supplied power.

CONCLUSION

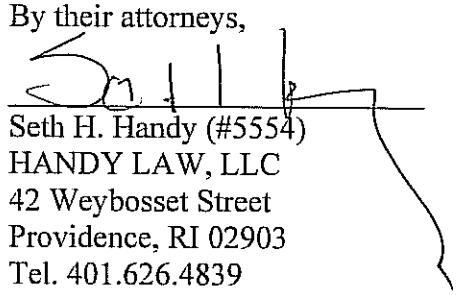
There is no basis for the complainant, National Grid or the Advocacy Section to invoke a federal law designed to encourage the development of renewable energy to undermine the intent of Rhode Island's net metering law and the rate planned and developed renewable energy projects have every reason to expect for their power. The Division should honor the intent of federal and state law by resolving this investigation expeditiously, sending a clear signal that the law is designed to

encourage, support and perpetuate these kinds of net metered, renewable energy projects. Therefore, we ask the Division to dismiss this investigation and declare that Portsmouth is net metering.

Respectfully submitted,

THE TOWN OF PORTSMOUTH, CHURCH COMMUNITY HOUSING CORPORATION, THE WASHINGTON COUNTY REGIONAL PLANNING COUNCIL, PEOPLE'S POWER & LIGHT, and THE TOWN OF WESTERLY

By their attorneys,



Seth H. Handy (#5554)
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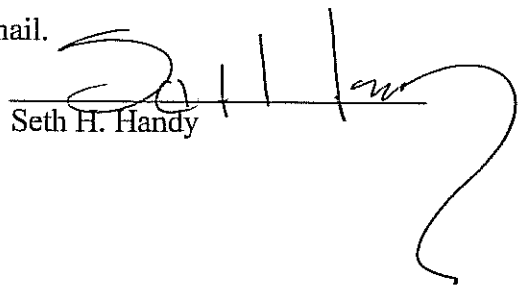
E-mail seth@handylawllc.com

CERTIFICATE OF SERVICE

I hereby certify that on June 10, 2011, I delivered a true copy of the foregoing document to the parties on the current service list by electronic mail.



Seth H. Handy

Exhibit A

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: COMPLAINT OF BENJAMIN RIGGS RELATING TO PORTSMOUTH GENERATING FACILITY	)	DOCKET NO. D-10-126

AGREED-UPON STATEMENT OF FACTS

By its attorneys, the Town of Portsmouth (Portsmouth), the Advocacy Section of the Division of Public Utilities and Carriers and National Grid submit the following statement of agreed facts.

1. In late 2005, Portsmouth planned the installation of a wind turbine in an effort to manage its energy costs while enhancing their energy independence and security and reducing the town's environmental impact.
2. Portsmouth relied on Rhode Island's net metering law and Tariff in planning its project, and designed it with the intent to offset its own energy consumption.
3. On June 6, 2008, National Grid received an interconnection application from the Town of Portsmouth for installation of a 1.5 MW wind turbine at 120 Education Lane in Portsmouth, Rhode Island and assigned the application for review on June 10, 2008.

4. The application site diagram identified that a primary metering pole was sought at the property line for the school grounds.
5. On July 11, 2008 a site meeting was held between National Grid and the Town of Portsmouth to discuss the application and potential placement of poles to accommodate the primary metering proposal.
6. On July 21, 2008 National Grid completed its initial review of the requested interconnection.
7. On September 4, 2008, a site plan was issued to National Grid by Portsmouth's engineer indicating that a new primary metering pole would be installed inside the property line, before the riser pole for main electrical service to the high school.
8. The new primary metering was to encompass three existing electric accounts, the high school, gym and tennis courts and the new wind turbine service, all of which would be behind the new primary meter.
9. Locating the metering point from the existing three services out to the property line would require the sale to the Town of Portsmouth of certain National Grid distribution assets on the customer side of the new primary metering point.
10. The assets for sale included several poles, primary and secondary overhead wires, aerial and pad-mounted transformers, and primary underground cables.
11. In preparation of the transfer, steps were taken to begin the process of estimating the residual value of those assets for sale to the Town of Portsmouth.
12. On October 9, 2008, National Grid received a new electrical one-line diagram from the engineer working on the wind turbine project for the Town of Portsmouth.
13. The new power one-line diagram changed the requested point of service.

14. The diagram eliminated the new primary metering point and indicated that the service to the new wind turbine would be via a side-tap from existing National Grid overhead distribution facilities on the school property.
15. The new side tap to the wind turbine was to have its own meter and be a separate electric account.
16. This configuration results in National Grid maintaining ownership and control of most distribution assets including poles, wires, transformers and cables.
17. On October 10, 2008, Arthur Larson, National Grid's coordinator on this project, responded with an email saying "In general – the concept proposed should not present any problems."
18. On October 14, 2008, the Town of Portsmouth confirmed that this new method of service was desired, and National Grid designed the service and estimated the cost of electrical construction.
19. In December 2008, Portsmouth and National Grid signed an interconnection agreement with a description of facilities, stating "Customer intends to export power under the net metering provisions set forth in Rhode Island General Law (R.I.G.L. Title 39, Chapter 26."
20. On February 13, 2009, Portsmouth and National Grid signed the form agreement provided in Schedule B of the tariff National Grid filed with the RIPUC for the implementation of Rhode Island's net metering law (RIPUC No. 2010-A), acknowledging the intent to credit the renewable generation credits from its wind turbine to five Portsmouth accounts.

21. The new service to the wind turbine was connected on February 19, 2009. Relay protection testing was conducted, and the Town of Portsmouth Wind Turbine came on-line and began commercial operation on March 18, 2009.

22. National Grid sent Portsmouth a letter on November 2, 2009, indicating that Portsmouth could either carry its renewable generation credits forward as a credit against their accounts for a one year billing cycle or receive a check for the renewable energy credits subject to any previous charges.

23. On November 25, 2009, National Grid and Portsmouth signed a revised Schedule B providing that Portsmouth would receive a check for its renewable generation credits.

24. The Portsmouth wind generating facility consumes energy at the turbine for station power use before sending the balance of its energy to the grid.

25. On April 1, 2010, Gary Crosby, the Portsmouth Wind Turbine Coordinator stated in a letter that "Portsmouth's wind turbine is not a 'behind-the-meter' facility. Every KWH that the turbine generates goes directly onto the grid."

26. National Grid proposed a Tariff, R.I.P.U.C. No. 2035, approved in Rhode Island Public Utilities Commission Docket 4079, (the "Tariff") which governs its purchase of electrical output from net metering facilities or qualifying facilities as defined in the Tariff (QF). [1]

27. The Tariff provides that for QFs employing wind technology which is 3.5 MW or less and are entirely owned by cities and towns, National Grid will permit a Net Metering Facility, ("NMF") to deliver electricity to National Grid according to specified terms among others that:

[1] R.I.P.U.C. No. 2010-A was approved for effect 1/1/09 in Docket 3999. R.I.P.U.C. 2035 was approved for effect 9/14/09.

> The customer's usage and generation will be netted for a twelve-month period beginning on January of each year. If the electricity generated by the NMF during a billing period exceeds the customer's kWh usage during the billing period, the customer shall be billed for zero kilowatt hour usage and a renewable generation credit (which has the same meaning as defined in R.I. Gen. Laws §39-26-2(22)) shall be applied to the customer's account. Unless the customer requests otherwise, the customer will be compensated monthly by check for the RGC.

28. The tariff provides that the NMF specified rate for Renewable Generation Credits in R.I. Gen. Laws § 39-26-2 (22) means a credit equal to the excess kWhs by the time of use billing period (if applicable) multiplied by the sum of the distribution company's:

    (i) Standard offer service kWh charge for the rate class applicable to the net metering customer;

    (ii) Distribution kWh charge;

    (iii)Transmission kWh charge; and

    (iv) Transition kWh charge.

29. The Tariff also provides for a non-NMF rate for QFs, this tariffed QF rate per R.I.P.U.C No. 2035, Section III, Rates For Qualifying Facilities is equal to the payments received by National Grid for the sale of such QF's output into the ISO-NE administered markets for the hours in which the QF's facility generated electricity in excess of its requirements.

30. From April 2009 through March 2010 the Town of Portsmouth's wind generating facility had a total output of 3,712,800 kWhs. From March 2010 through February 2011 Portsmouth's wind generating facility had a total output of 2,699,179 kWh.

31. From April 2009 through March 2010, Portsmouth consumed 3,972,170 kWhs at more than forty accounts for Portsmouth, including the Portsmouth School Department accounts. From March 2010 through February 2011, Portsmouth

consumed approximately 3,971,582kWh of electricity at more than forty accounts for Portsmouth, including the Portsmouth School Department accounts.

32. From April 2009 through March 2010, Portsmouth consumed approximately 967,120 kWhs at its site located at 120 Education Lane in Portsmouth, Rhode Island. They consumed approximately 972,240 kWhs at this site from April 2010 through March 2011.

33. From March 2010 through February 2011, Portsmouth consumed 3,569,399 kWh at its ten largest accounts.

34. National Grid has credited Portsmouth for the output of the Portsmouth wind generating facility at the tariff based NMF rate.

35. Portsmouth is presently credited a varying renewable generation credit for its power, as calculated under the net metering statute and Tariff.

36. Over the last six month period from August of 2010 through January of 2011, the credit rate has averaged $0.082 per kWh and over the year from February of 2010 through January of 2011 it averaged $0.0875 per kWh.

37. Over the same periods, National Grid has been compensated on average $0.0536 and $0.0547 from ISO-NE for the sale of kWh's from Portsmouth's wind turbine facility. The difference between the amount paid to Portsmouth by National Grid and the amount received by National Grid from ISO-NE has been or will be added to National Grid's standard offer cost.

THE TOWN OF PORTSMOUTH

By its attorneys,

Seth H. Handy (#5554)
CHACE RUTTENBERG & FREEDMAN, LLP
One Park Row, Suite 300
Providence, RI 02903
Tel. 401.453.6400 x 18
E-mail shandy@crfllp.com

Docket D-10 126-Agreed Statement of Facts re: Complaint of Benjamin Riggs Relating to Portsmouth Wind Generating Facility

ADVOCACY SECTION OF THE RHODE ISLAND DIVISION OF PUBLIC UTILITIES AND CARRIERS

By its Attorney

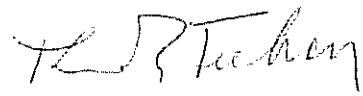
/S/ Jon G. Hagopian 5/5/2011

Jon G. Hagopian, Special Assistant Attorney General
150 South Main Street
Providence, RI 02903
(401) 274-4400 x2231

Docket D-10 126-Agreed Statement of Facts re: Complaint of Benjamin Riggs Relating to Portsmouth Wind Generating Facility

NATIONAL GRID

By its attorney,



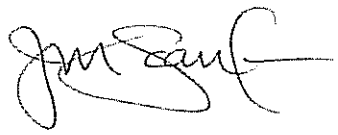
5/5/2011

Thomas R. Teehan, Esq. (RI Bar #4698)
National Grid
280 Melrose Street
Providence, RI 02907
(401) 784-7667

Docket D-10 126-Agreed Statement of Facts re:
Complaint of Benjamin Riggs Relating to Portsmouth
Wind Generating Facility

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted and sent via U.S. Mail to the individuals listed below. Copies of this filing were hand delivered to the RI Division of Public Utilities & Carriers.



May 5, 2011

Complaint Relating to the Town of Portsmouth Generator Facility – NetMetering
Docket No. D-10-126 **Updated 4/4/11**

Parties/Address	E-mail Distribution	Phone
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com Joanne.scanlon@us.ngrid.com	401-784-7667 401-784-4321
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Seth H. Handy, Esq. Chace Ruttenberg & Freedman, LLP One Park Row, Suite 300 Providence, RI 02903	shandy@crfllp.com	401-453-6400 x 18
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Jeff Broadhead, Executive Director Washington County Regional Planning Council 344 Main St., Suite 202 Wakefield, RI 02879	jb@wcrpc.org	
Karina Lutz, Deputy Director People's Power & Light and Mass Energy Consumers Alliance 17 Gordon Ave., Suite 201 Providence, RI 02905	karina@ripower.org	
Christian Belden, Project Manager Church Community Housing Corporation 50 Washington Square Newport, RI 02840	cbelden@cchcnewport.org	
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John Murphy, Nexamp, Inc.	jmurphy@nexamp.com	
File original and four (4) copies w/: Luly E. Massaro, Clerk Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us jspirito@ripuc.state.ri.us sscialabba@ripuc.state.ri.us dstearns@ripuc.state.ri.us tkogut@ripuc.state.ri.us acontente@ripuc.state.ri.us	401-780-2107

Exhibit B

Seth H. Handy

From: Gary Gump [ggump1@verizon.net]
Sent: Monday, April 25, 2011 11:53 AM
To: Seth H. Handy
Subject: NGrid - Portsmouth e-mails

From: David P. Faucher [Dfaucher@portsmouthri.com]
Sent: Wednesday, March 02, 2011 4:18 PM
To: GARY GUMP
Subject: FW: Portsmouth Wind Turbine

Gary, I came across this email which you already have concerning the new configuration.

Dave

-----Original Message-----
From: Alex Pichs [mailto:a.pichs@aaer.ca]
Sent: Friday, October 10, 2008 8:40 AM
To: Richard Talipsky
Cc: David P. Faucher; 'Gary Gump'; 'Don Davidson'; David P. Kehew; 'Doug Smith'; 'Bob Hamilton(Verizon Alternate)'; Robert G. Driscoll; Daniel Charette; 'Danny Mendelsohn'; mathieu.riedl@bba.ca; marie-helene.cote@bba.ca; Benoit Paquette; Robert McClanaghan; lryan@ryan.necoxmail.com
Subject: FW: Portsmouth Wind Turbine

Richard,

The message below is National Grid's response to the proposed changes under the new legislation. They seem to be ok with the idea. However, they are waiting for the Town to make a decision before they can proceed.

Kind Regards,
Alexander Pichs
AAER USA, Inc.
Regional Sales Manager, Northeast USA
a.pichs@aaer.ca
T +1.401.228.7810
C+1+401.569.6585
F+1.401.228.7812
400 Westminster Street, Suite 202
Providence, RI 02903
www.aaer.ca

Come visit & meet us at CANWEA:

Booth 909, October 19-22

-----Original Message-----
From: Larson, Arthur D. [mailto:ARTHUR.LARSON@us.ngrid.com]
Sent: Friday, October 10, 2008 7:54 AM
To: Robert McClanaghan
Cc: Cleary, James G.; Roughan, Timothy R.; Silveira, Adam; Alex Pichs; Benoit Paquette
Subject: RE: Portsmouth Wind Turbine

Bob,

Your email is received and understood. I believe the legislation you are referring to (S2851 Sub A) actually goes into effect on January 1, 2009. National Grid will be filing a revised QF tariff updating the net metering to comply with the changes.

At this time, National Grid will put our design on hold until a decision is made. Once a decision is made by the Town of Portsmouth, please let me know so that National Grid can update the design for construction and forward the estimate/invoice.

In general - the concept proposed should not present any problems. Your proposed one-line will be formally reviewed once a decision is made by Portsmouth. I can make a couple comments on a preliminary basis. You do not indicate which existing pole will be the new junction pole. I don't believe there is an existing pole which is not already a riser pole. National Grid will likely require a new mid-span pole to function as the new junction pole. A third National Grid pole may be required for a gang operated load break or other device. Finally, there is always the chance that additional poles or anchors will be required.

Again - National Grid will put design on hold until a decision is made.
Please communicate all this to the appropriate people at the Town and
cc: me on the notification.

Thanks,
Dave Larson
Distributed Resources - National Grid
781-907-1595
cell phone 401-692-9462

-----Original Message-----
From: Robert McClanaghan [mailto:rwm@rwmengineering.com]
Sent: Thursday, October 09, 2008 12:05 PM
To: Larson, Arthur D.; Alex Pichs; Benoit Paquette
Subject: Portsmouth Wind Turbine

Dave

The Town of Portsmouth is now considering going to "net metering" for this project. Apparently this new regulation went into effect in July of

this year, although it is not clear whether the RI PUC has adopted this yet.

It is our understanding that this would allow the Town to credit the wind turbine output to all of their metered accounts. A preliminary analysis indicates that the town has electric consumption (from a sum of

all of their accounts) in excess of the potential wind turbine output.

Attached is a preliminary power one line diagram which indicates this new arrangement. The main change would be to move the primary metering to meter the wind turbine output only. National Grid assets would remain as is.

We wanted to give you this preliminary information. The town may decide

by next week to pursue this option. Any comments or recommendations at this time would be helpful.

Bob
--
Robert W. McClanaghan
McClanaghan Associates, Inc.
67 Alhambra Road
Warwick, RI 02886

Ph: 401-739-2224
Fax: 401-739-8884
Email: rwm@rwmengineering.com

****

This e-mail and any files transmitted with it, are confidential to National Grid and are intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please reply to this message and let the sender know.

Avant d'imprimer, pensez à l'environnement / Think green before printing

Avant d'imprimer, pensez à l'environnement / Think green before printing

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Version: 10.0.1321 / Virus Database: 1500/3596 - Release Date: 04/25/11

Exhibit C

Interconnection Service Agreement

1. **Parties.** This Interconnection Service Agreement ("Agreement"), dated as of January 1, 2009 ("Effective Date") is entered into, by and between The Narragansett Electric Company d/b/a National Grid, a Rhode Island corporation with a principal address at 280 Melrose Street, Providence, RI 02907 (hereinafter referred to as the "Company"), and Town of Portsmouth, Rhode Island, a Rhode Island Corporation (local government) with a principal place of business at 2200 East Main Road, Portsmouth, RI 02871 ("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 Portsmouth High School, 120 Education Lane, Portsmouth, RI, account number to be determined. A description of the Facility is located in Attachment 1. If the Interconnecting Customer is not the Customer, an Agreement between the Company and the Company's Retail Customer, attached as Exhibit G to the Interconnection Tariff, must be signed and included as an Attachment to this Agreement.

   The Interconnecting Customer has the right to operate its Facility in parallel with the Company 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.

4. **Termination.**

   4.1 This Agreement may be terminated under the following conditions.

      4.1.1 The Parties agree in writing to terminate the Agreement.

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

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

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

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

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

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

5. **General Payment Terms.** The Interconnecting Customer shall be responsible for the System Modification costs and payment terms identified in Attachment 4 of this Agreement and any approved cost increases pursuant to the

terms of the Interconnection Tariff. If the system modifications exceed $25,000, Attachment 4 will include a payment and construction schedule for both parties.

5.1 Cost or Fee Adjustment Procedures. The Company will, in writing, advise the Interconnecting Customer in advance of any cost increase for work to be performed up to a total amount of increase of 10% only. All costs that exceed the 10% increase cap will be borne solely by the Company. Any such changes to the Company's costs for the work shall be subject to the Interconnecting Customer's consent. The Interconnecting Customer shall, within thirty (30) days of the Company's notice of increase, authorize such increase and make payment in the amount up to the 10% increase cap, or the Company will suspend the work and the corresponding agreement will terminate.

5.2 Final Accounting. Upon request by the Interconnecting Customer, 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, shall provide Interconnecting Customer with a final accounting report of any difference between (a) Interconnecting Customer's cost responsibility under the Interconnection Service Agreement for the actual cost of such System Modifications, and (b) Interconnecting Customer's previous aggregate payments to the Company for such System Modifications. To the extent that Interconnecting Customer's cost responsibility in the Interconnection Service Agreement 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 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 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 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.

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 (c) 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 (d) 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. In no instance will the Interconnection Customer be allowed to self-insure.

If the requirement of clause (a) in the paragraph above prevents Interconnecting Customer from obtaining the insurance required without added cost or due to written refusal by the insurance carrier, then upon Interconnecting Customer's written Notice to Company, the Company and Interconnection Customer shall endeavor to find a mutually acceptable solutions.

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 and submitted to the following:

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

12. Indemnification. Except as precluded by the laws of the State of Rhode Island and the Providence Plantations, Interconnecting Customer and Company shall each indemnify, defend and hold the other, its directors, officers, employees and agents (including, but not limited to, Affiliates and contractors and their employees), harmless from and against all liabilities, damages, losses, penalties, claims, demands, suits and proceedings of any nature whatsoever for personal injury (including death) or property damages to unaffiliated third parties that arise out of or are in any manner connected with the performance of this Agreement by that Party except to the extent that such injury or damages to unaffiliated third parties may be attributable to the negligence or willful misconduct of the Party seeking indemnification.

13. Limitation of Liability. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including court costs and reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage or liability actually incurred. In no event shall either Party be liable to the other Party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever.

14. Amendments and Modifications. No amendment or modification of this Agreement shall be binding unless in writing and duly executed by both Parties.

15. Permits and Approvals. Interconnecting Customer shall obtain all environmental and other permits lawfully required by governmental authorities for the construction and operation of the Facility. Prior to the construction of System Modifications the interconnecting customer will notify the Company that it has initiated the permitting process. Prior to the commercial operation of the Facility the Customer will notify the Company that it has obtained all permits necessary. Upon request the Interconnecting Customer shall provide copies of one or more of the necessary permits to the Company.

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

a. that is beyond the reasonable control of the affected Party, and

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:

Director of Distributed Resources
National Grid
55 Bearfoot Rd.
Northborough, MA 01532
Phone: 781-907-1628
FAX: 781-907-1647

If to Interconnecting Customer:

Town of Portsmouth, Rhode Island
Attn: David Faucher, Finance Director
2200 East Main Road
Portsmouth, RI 02871
401-683-0308
Fax: 401-683-1916
Email: Dfaucher@portsmouthri.com

Alternate for school department

Portsmouth School Department
Attn: Christine Tague, Director of Finance and Admin
29 Middle Road
Portsmouth, RI 02871
401-683-1039 x1002
Fax: 401-683-5204
Email: taguec@portsmouthschoolsri.org

17.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 17.1.

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

18. Default and Remedies

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

(i) One of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, any 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.

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.

Town of Portsmouth, Rhode Island		The Narragansett Electric Co.	
By:	David P. Fanchea	By:	Stephen T. Hall
Name:	DAVID P. FANCHEA	Name:	Stephen T. Hall
Title:	FINANCE DIRECTOR	Title:	Regional Executive Director

Attachment 1: Description of Facilities, including demarcation of Point of Common Coupling

The Town of Portsmouth proposes to interconnect one (1)-1500 kW AAER, Inc., Model Number A-1500 wind turbine induction generating unit at a new primary metered service point located at pole 8-3 Education Lane in Portsmouth, RI. Primary metered service will be provided via the 36W41, 13.8 kV distribution feeder supplied out of Dexter Substation No. 36 located in Portsmouth, Rhode Island which is owned and operated by National Grid. Point of interconnection and point of common coupling shall be the primary metering at pole 8-3 Education Lane, Portsmouth, RI.

Turbine will be located about 500 feet west-northwest of National Grid's new primary metering pole and approximately 200 feet from National Grid's transmission right of way.

Customer intends to export power under the net metering provisions set forth in Rhode Island General Law (R.I.G.L) Title 39, Chapter 26.

Attachment 2: Description of System Modifications

System modifications required include the installation of (2)-poles, (1)-15 kV loadbreak switch, (3)-primary cutouts, (3)-100K fuses, (3)-PTs, (3)-CTs, (1)-Primary Metering Rack, and associated distribution and metering equipment. Removal and transfer of associated equipment is also required.

Attachment 3: Costs of System Modifications and Payment Terms

Estimate of system modifications costs is $26,961.97. Town of Portsmouth has paid for system modifications costs.

Attachment 4: Special Operating Requirements, if any

The 36W41 distribution line protection consists of phase and ground overcurrent relaying. There is automatic reclosing on this line.

Specific protection settings will be evaluated for approval by National Grid once submitted for review by the Town of Portsmouth and are due from the Interconnecting Customer a minimum of 30 business days before the Interconnecting Customer expects to start up the proposed generator. Portsmouth High School is required to coordinate their generator protection with National Grid's 100 K fuses located at pole 8-3 Education Lane, Portsmouth, Rhode Island.

Primary protection for the generator will be provided utilizing a G & W pole top recloser rated for 27 kV. Recloser controls will be equipped with two (2) sets of utility grade relays to provide for separate and redundant protection per Section 4.2.3.2.2.e. of R.I.P.U.C. No. 2007, effective March 1, 2008. Interconnecting Customer will wire in parallel, two SEL-351R controllers, so that if components in one unit fail, the other unit will provide protection.

Four (4) utility grade, external PTs will be provided by G & W and will be connected to the utility side of the customer-owned pole top recloser. Three (3) of the PTs will be for the controller/relay and one (1) will be to power the SEL controller. The PTs will be connected phase-to-ground which is the standard connection for the SEL controller. Per Section 4.2.3.2.2.i. of R.I.P.U.C. No. 2007, "If the Facility's Step-Up Transformer is ungrounded at the Company voltage, this VT shall be a single three-phase device or three single-phase devices connected from each phase to ground on the Company's side of the Facility's Step-Up Transformer, rated for phase-to-phase voltage and provided with two secondary windings." The requirement stating "One winding shall be connected in open delta, have a loading resistor to prevent ferroresonance, and be used for the relay specified in these requirements" has been waived.

Per Section 4.2.3.2.2.g. of R.I.P.U.C. No. 2007, "Protective Relay Supply: Where protective relays are required in this Section, their control circuits shall be DC powered from a battery/charger system or a UPS.

Solid-state relays shall be self-powered, or DC powered from a battery/charger system or a UPS. If the Facility uses a Company-acceptable non-latching interconnection contactor, AC powered relaying shall be allowed provided the relay and its method of application are fail safe, meaning that if the relay fails or if the voltage and/or frequency of its AC power source deviate from the relay's design requirements for power, the relay or a separate fail-safe power monitoring relay acceptable to the Company will immediately trip the generator by opening the coil circuit of the interconnection contactor."

The Interconnecting Customer must synchronize with the Utility only on live utility conditions. Proof of this must be submitted to National Grid.

The Town of Portsmouth is responsible for the adequate protection of its own facilities.

The Town of Portsmouth will be responsible for installing and maintaining a phone line and bell box at National Grid's revenue meter location.

Attachment 5: Agreement between the Company and the Company's Retail Customer

NOT APPLICABLE

END OF ATTACHMENTS

Exhibit D

R.I.P.U.C. No. 2010-A

Schedule B

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

The Agreement is between Town of Portsmouth, RI (600 KW Wind QF), a Net-Metered Facility ("NMF") and The Narragansett Electric Company (the "Company") for transfer of credits earned through net-metering as per section III.B(1) from the NMF located at Portsmouth High School, 120 Education Lane, Portsmouth, Rhode Island.

Agreement to apply credits earned by the NMF

Effective as of February 13, 2009, the Company agrees to transfer credits to the following account(s) designated by the NMF under the terms and conditions of the Company's Qualifying Facilities Power Purchase Rate Tariff as currently in effect or amended by the Company in the Company's sole discretion. The NMF agrees to comply with the provisions of the Qualifying Facilities Power Purchase Rate Tariff, the applicable retail delivery tariffs and terms and conditions for service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

Designated Account(s)

The following information must be provided for each individual designated account (five accounts maximum)

Name: PORTSMOUTH HIGH SCHOOL
Address: 120 EDUCATION LANE
Account number: 03878-03009
Percentage of monthly earned credit: ~~100%~~ 34%

Name: PORTSMOUTH MIDDLE SCHOOL
Address: 125 JEPSON LANE
Account number: 28272-65003
Percentage of monthly earned credit: ~~100%~~ 33%

Name: PORTSMOUTH TOWN HALL ST LIGHT
Address: 2200 EAST MAIN RD
Account number: 03361-89005
Percentage of monthly earned credit: ~~100%~~ 20%

Name: HATHAWAY SCHOOL
Address: 53 TODMAN
Account number: 53347-55006
Percentage of monthly earned credit: ~~100%~~ 27%

Name: PORTSMOUTH TOWN HALL
Address: 2200 EAST MAIN RD
Account number: 16009 - 83007
Percentage of monthly earned credit: 100% 11%

The Company will credit the NMF and its designated account(s) the rates in effect at the time of delivery as provided for in the Qualifying Facilities Power Purchase Rate Tariff.

Notice

The Company or NMF may terminate this agreement on thirty (30) days written notice which includes a statement of reasons for such termination. In addition the NMF must re-file this agreement annually.

Agreed and Accepted

Customer — Date: 2/11/09

The Narragansett Electric Company — Date: 2/25/09

Exhibit E

Schedule B

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

The Agreement is between TOWN OF PORTSMOUTH, a Net-Metered Facility ("NMF") and The Narragansett Electric Company (the "Company") for application of credits earned through net-metering as per section III.B(1) from the NMF located at PORTSMOUTH, Rhode Island.

The NMF agrees to comply with the provisions of the Qualifying Facilities Power Purchase Rate Tariff, the applicable retail delivery tariffs and terms and conditions for service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

Agreement to apply credits earned by the NMF

Effective as of November 1, 2009, the customer requests and the Company agrees that the application of renewable generation credits applicable to the NMF will be as follows (choose one):

Option 1

____ Renewable generation credit should be applied to account of NMF customer of record in the month following the month that the credit is earned. This credit will carry forward from month-to-month through the end of the twelve month netting period.

Option 2

✓ Renewable generation credit should be submitted to the NMF customer of record in the form of a monthly check from the Company and should be remitted to (Customers should consult their tax attorney on the tax implications of this option):

Name (to appear on the check): TOWN OF PORTSMOUTH

Address 2200 EAST MAIN ROAD
PORTSMOUTH, RI 02871

Notice

Execution of this agreement will cancel any previous agreement for the qualified facility or net metered account under the Qualifying Facilities Power Purchase Rate Tariff.

The Company or NMF may terminate this agreement on thirty (30) days written notice which includes a statement of reasons for such termination. In addition the NMF must re-file this agreement annually.

Agreed and Accepted – Please sign

Customer - David P. Fancher Finance Dir. Date 11/25/09

The Narragansett Electric Company
DBA as National Grid Date

Enclosures

Net Metering in Rhode Island (as of September 30, 2009)

Who is eligible: Customers with solar and wind generating facilities up to 1.65 MW in aggregate capacity are eligible. Wind or solar facilities larger than 1.65 MW which are affiliated with or owned by Cities, Towns, state agencies or the Narragansett Bay Commission (NBC) may qualify under certain conditions (see rate tariff).

Who is NOT eligible: All other generating facilities not described above are ineligible for net metering. For example, hydro power facilities, cogeneration systems, agricultural facilities, etc. are not eligible for net metering. Wind/solar generating facilities with total rated capacity over 1.65 MW would not be eligible (except for some affiliated with Cities, Towns, state agencies or NBC). Those facilities which are ineligible may be able to sell excess power to National Grid at wholesale rates if they can meet the requirements of a Qualifying Facility.

What is net metering: Solar and wind based systems are intermittent generators which only produce electricity when a source of energy is present (e.g. when the sun is shining for solar and wind blowing for wind). When a source of energy is not present the generator does not produce power and may even use electricity for power electronics. Customer loads vary over time (e.g. lights, HVAC, plug loads, etc).

Customers who have a solar photovoltaic systems and/or wind turbine systems will draw power from the electric grid when their generation does not meet the energy needs of the facility loads. These same customers may send power to the grid at times when their electric generation exceeds the energy needs of the facility. Net metering allows the customer to net out the energy drawn from the grid with energy sent to the grid over a billing period (billing month). For most small customers (residential and small business), National Grid simply reads the retail meter at the beginning and end of the billing month to determine the net use or export.

At the end of a billing month, if a customer has used more energy than they have sent out to the grid (i.e. their meter reading went up during the billing month), they will only have to pay energy related charges for the net energy used during the billing month. They used all the energy produced by their generator during the billing month, and this reduced the energy they had to purchase from the utility. If the customer has sent more energy to the grid than was drawn from the grid during the billing month (i.e. their meter reading went down during the billing month), then the customer is a net exporter during that billing period. When a customer is a net exporter during a billing period, they are billed for zero kilo-watt hour usage and a renewable generation credit will be applied to the account. The credit is determined by multiplying the net export kWH times the sum of the following charges (see current tariffs for amount of each charge):

- Standard Offer or Last Resort Service charge
- Distribution kWH charge for the customer's rate class
- Transmission kWH charges for the customer's rate class
- Transition charge

Customers are always responsible for the customer charge and any demand related charges, even if they are a net exporter during a billing month.

Exhibit F

This is an important notice. Please have it translated.

Este é um aviso importante. Quiera mandá-lo traducir.
Este es un aviso importante. Sírvase mandarlo traducir.
Avis important: Veuillez traduire immediatement.

ĐÂY LÀ MỘT BẢN THÔNG CÁO QUAN TRỌNG
XIN VUI LÒNG CHO DỊCH LẠI THÔNG CÁO ẤY

Questa è un'informazione importante,
Si prega di tradurla.

Это очень важное сообщение.
Пожалуйста, попросите чтобы
вам его перевели.

November 2, 2009

PORTSMOUTH SCHOOL
EDUCATION LN, WIND TURBINE
PORTSMOUTH, RI 02871

Dear PORTSMOUTH SCHOOL:

The Rhode Island Public Utilities Commission (RIPUC) has approved revisions to National Grid's net metering tariff in order to comply with recent changes in the state law.

You are receiving this letter because our records indicate that you own and operate a renewable energy or qualifying generating facility as defined under the Public Utility Regulatory Policies Act of 1978 and are currently receiving Renewable Generation Credits (RGCs) on your monthly bills. To ensure that you are receiving the proper credits, please fill out and return the attached Schedule B so we that we may properly code your account.

This new law allows you to either continue to have the RGCs you earn credited to the next billing period(s), or have National Grid send you a check for the RGCs you earned in a specific billing period.

Customers who wish to continue to receive RGCs for net metering must select one of the following options using Schedule B of the tariff:

Option 1: Carry forward the RGCs from month to month through the end of the calendar year. Any credit remaining at the end of the calendar year will be removed from the account and used by National Grid to offset the costs of net metering.

Option 2: Receive a monthly check equal to RGC less any current or previous charges on the account.

Copies of Schedule B are attached to this letter. Please select Option 1 or 2 on this schedule and return it to National Grid in the enclosed postage-paid envelope in order to continue to earn renewable energy credits.

We have attached an explanation of net-metering to this letter for further information. In addition, to take advantage of the Company's energy efficiency programs, please go to the Company's website, www.powerofaction.com to find ways to save energy.

If you have any further questions, please contact Chandra Bilsky at 781-907-1627.

Sincerely,

Timothy Roughan
Director of Distributed Resources